

April 2023



PROPOSAL FOR:

Hamblen County Government



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Executive Summary

A-S Medication Solutions and Sav-Rx Prescription Services are sister companies that are privately owned and under common ownership. Our combined go-to-market strategies allow us to stay ahead of the market and remain an industry disrupter. The fully integrated, customizable programs of ASM and Sav-Rx optimize all areas of pharmacy spend. We provide personalized service for enhanced healthcare experiences.

A-S Medication Solutions is the industry leader in providing complete, end-to-end turnkey, on-site medication dispensing solutions. ASM achieves its core mission to strengthen caregivers by providing point-of-care treatment solutions that improve patient health, lower costs, and enhance revenue streams.

Sav-Rx has established itself as a leading provider of pharmacy benefits and mail-order services thanks to its forward-thinking attitude, commitment to excellence, and dedication to client satisfaction. These qualities propel Sav-Rx to provide transparent, flexible, and cost-effective solutions to prepare our clients for the ever-changing pharmacy landscape.

ASM and Sav-Rx are dedicated to improving the health and lives of our patients through exceptional clinical practices and unwavering commitment to best-in-class service delivery. The ASM and Sav-Rx experience is defined by superior service, competitive rates, transparent practices, and cutting-edge clinical programs delivered by outstanding, professional associates. Our vision is to share this experience with our growing client base and usher in a new era of elevated healthcare expectations.

We at ASM and Sav-Rx are confident that we are the best choice to fulfill the prescription plan needs for Hamblen County Government as well as to optimize implementation and ongoing management. This is because Sav-Rx has been successfully providing self-funded plans with pharmacy benefit services for many years while ASM leads the field in on-site dispensing solutions.

Our track record of successful implementations is a testament to our success. Over the last two decades, we have significantly expanded our impact – going from covering 500,000 lives to more than 10,000,000 lives. As such, our client list is expansive, and we serve more than 1,000 clients – some of whom represent fewer than 200 lives while others represent more than 200,000.

As an extension of our wide-reaching influence, our retail pharmacy network includes 72,000 pharmacies nationwide. It is important to mention though that we are not affiliated with any pharmacy chain, drug manufacturer, or managed care organization. The independence of our companies is a great benefit because it means that we have the unique ability to work wholly in our clients' best interests. This means that when partnered with ASM and Sav-Rx, clients are ensured solutions that are custom-tailored to their specific needs and that most benefit their participants.

Indeed, our unrivaled customer service stems from our flexible yet streamlined plan designs. We offer a variety of services that can be implemented individually, synchronized together, and discretely or collectively adjusted in order to optimize outcomes for our clients and their participants. Because of this, our plan designs are virtually unlimited. To date, we have been able to administer every custom plan design requested.

Not only are ASM and Sav-Rx plans customizable; they are also powerful and extremely cost-effective. Our executive, management, and clinical teams work closely with clients to make sure we deliver benefit programs that improve healthcare outcomes while also saving money for our clients and their participants.

In this proposal, we show just how cost-saving and seamless our services will be for Hamblen County Government. We demonstrate how our prices and practices make us the most cost-effective PBM in the industry and how our services make implementations easy and carefree for participants. We at ASM and Sav-Rx genuinely appreciate your consideration of our services for Hamblen County Government and their participants. We look forward to the opportunity to work with you in the future. **As the rest of this proposal focuses on pharmacy benefits and mail order services, we will refer to ASM and Sav-Rx as "Sav-Rx".**

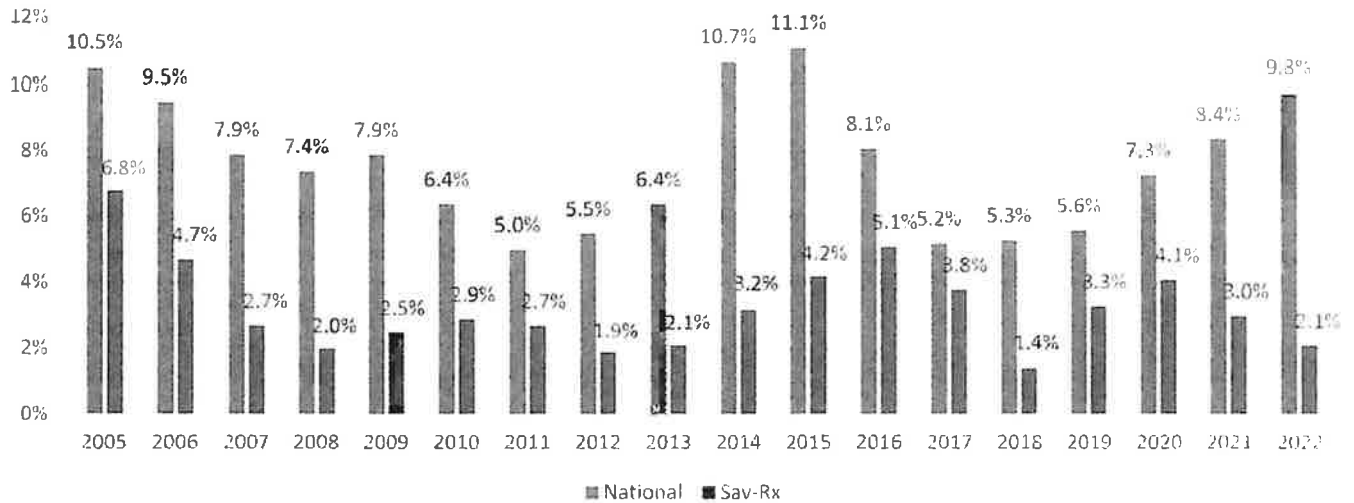
Sav-Rx Pricing Proposal

Cost-Effective and Extremely Competitive

Sav-Rx pricing is extremely competitive and designed to provide our clients with the best rates in the industry. Many of our clients use independent consultants to continually review Sav-Rx rates to make sure they are the lowest available. This continuous renegotiation of Sav-Rx rates means that no client is persistently bound to obsolete pricing.

As proof of Sav-Rx pricing rates' cost-effectiveness, we offer you these data points:

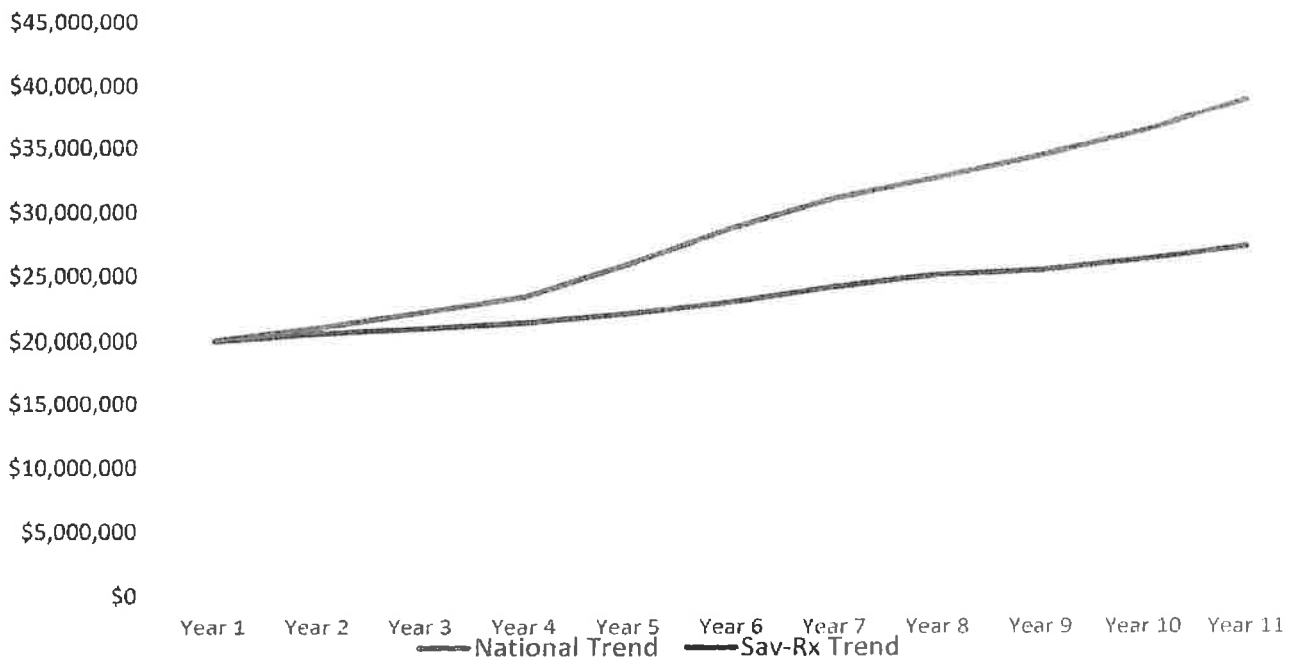
U.S. Prescription Drug Trends: Comparison between Sav-Rx and other National PBMs



National trend as published by a nationally recognized benefit consulting firm.

Impact of Controlled Trends: Comparison between Sav-Rx Trends and Average PBM Trends

This shows how much Sav-Rx could save over the course of ten years in comparison to a different PBM.



Fully Transparent and Auditable Pricing

Transparent Pricing and Discounts

Sav-Rx offers a traditional, guaranteed rate, all-inclusive pricing model. Sav-Rx discounts are transparent by full disclosure: they are based off of Average Wholesale Price (AWP), which is a published benchmark by a nationally recognized source, Medi-Span. AWP is not arbitrary, proprietary, or artificially inflated as with some other PBMs' pricing benchmark. All standard management services are included at no additional cost to the Plan. Sav-Rx does not charge any fees for services.

Auditable Claims

Sav-Rx utilizes the Medi-Span definition/indicator to determine the brand and generic status of a claim. These definitions are located in Medi-Span which means our claims can be audited against Medi-Span.

Sav-Rx Coalition

Sav-Rx offers a traditional pricing model with guaranteed overall discounts off published Average Wholesale Price (AWP). The guaranteed AWP discounts and fees outlined below represent the 2023 Sav-Rx pricing that Sav-Rx is extending to Hamblen County Government in partnership with A-S Medication Solutions.

Sav-Rx repriced and analyzed the provided claims data from January 1, 2022 through December 31, 2022. The results of the reprice exercise demonstrate the ingredient cost savings potential available to Hamblen County Government, without any assumptions in utilization programs or other management strategies. We anticipate significant Clinical Savings in addition to these upfront ingredient cost and dispense fee savings based upon our clinical review of the data.

Sav-Rx Retail Network	
Brand Discount	AWP - 19.00%
Generic Discount	AWP - 85%
Dispensing Fees	\$0.00
Administration Fees	\$0.00
Sav-Rx Walk In Mail Order Pharmacy (90 day at Retail Option)	
Brand Discount	AWP - 21.5%
Generic Discount	AWP - 85.5%
Dispensing Fees	\$0.00
Administration Fees	\$0.00
Sav-Rx Mail Order Pharmacy	
Brand Discount	AWP - 24%
Generic Discount	AWP - 87.5%
Dispensing Fees	\$0.00
Administration Fees	\$0.00
Sav-Rx Specialty Pharmacy	
Retail Brand	AWP - 15.5%
Specialty Pharmacy Brand	AWP - 17%
Retail Generic	AWP - 55%
Specialty Pharmacy Generic	AWP - 55%
Dispensing Fees	\$0.00
Administration Fees	\$0.00

Third Party Fee: \$0.25 per claim payable to EAS.

Sav-Rx is now offering a minimum blended brand and generic discount guarantee for specialty drugs that includes both our standard ingredient cost discount and the Sav-Rx High Impact Advocacy discount. The blended Sav-Rx Specialty Discount will likely result in the following: Specialty Retail: AWP - 19% Specialty Mail Order: AWP - 29%



* Limited distribution generic drugs shall be passed through at actual cost, and will be excluded from generic discount guarantees. A limited distribution generic drug is a drug whose United States government patent has expired and is available from a single source or multiple sources under the provisions of the Drug Price Competition and Patent Term Restoration Act of 1984 (Hatch-Waxman Amendments) which govern the generic drug approval process and give 180 days of marketing exclusivity to certain generic drug applicants.

Savings from Sav-Rx Clinical Management Programs

All Sav-Rx clinical management programs are optional and come with no extra cost to the Plan. Sav-Rx offers a variety of management programs, but we highly recommend the Sav-Rx Patient Assistance Program (PAP), Sav-Rx High Impact Advocacy (HIA) Program, and Sav-Rx Generic Promotion Programs. Based on the provided claims data from January 1, 2022 through December 31, 2022, Sav-Rx has identified the following potential savings:

Optional Sav-Rx Clinical Management Programs	Savings	Savings Percent
Manufacturer Fraud & Abuse	\$11,523.11	1.23%
Patient Assistance Programs	\$92,184.58	9.85%
Brand with Generic Available	\$5,542.37	0.59%
High Impact Advocacy	\$99,929.90	10.68%
Biosimilar Substitute*	\$38,085.22	4.07%
Biosimilar Conversion**	\$41,813.40	4.47%

*This may be interchangeable by pharmacist or require a new prescription. These are biosimilar agents which have no clinical difference in safety, purity, potency to the reference drug.

**This requires a change in therapy, but these agents are all under the same pharmacologic category and treat similar indications. This is an additional add on to the Biosimilar Substitution Program

Thanks to our innovative and completely customizable clinical programs, Sav-Rx delivers:

- ✓ The lowest net cost
- ✓ Exceptional service
- ✓ Clinical excellence

The Sav-Rx Clinical Management Programs are instrumental in managing specialty drug spend and are offered at no extra cost to our clients. In fact, Sav-Rx does not retain ANY of the savings generated for our clients.

All Sav-Rx Services Provided at NO ADDITIONAL COST

PBM Services		Clinical Management	
Account Manager for Client and Sponsors	24/7/365 Live Customer Service for Members	Innovative and Customizable Programs	Cost-Saving Programs for High-Cost Medications
Standard Coordination of Benefits (COB)	Electronic Claims Processing including denials, rejections, reversals, and adjustments	Drug Utilization Review (DUR) Prospective, Concurrent, and Retrospective	Overrides including sponsor-requested, lost/ stolen, and vacation supply overrides
Electronic/Online Eligibility Submission	Plan Implementation and Testing	Pharmacist Consultations	Implementation Support

Mail Order Services

Member Communications

Benefit education
Prescription Delivery

Smartphone App for Ordering and Tracking
e-Prescribing

Implementation Package
Customized New Member Package

Implementation Support
24/7/365 Live Customer Service

Reporting Services

Network Pharmacy Services

Standard Quarterly Reports
Electronic Claims Detail Extract File (NCPDP)

Annual Strategic Account Review
Retiree Drug Subsidy (Account Manager/ Designee)

Pharmacy Help Desk
Pharmacy Network Management

Pharmacy Network Development
Pharmacy Reimbursement

Optional Services available for fee:

Direct Member Reimbursement (DMR) Processing: \$1.50 per claim
Consolidated Appropriations Act Submission through HIOS: \$875 per submission

Managed Pharmacy Benefit Features

Retail Pharmacy Network

Comprehensive Coverage

Sav-Rx offers our National Pharmacy Network. All major retail chain pharmacies participate in this network, providing excellent coverage in rural and urban communities across the United States. This extensive network of retail pharmacies offers more than 72,000 pharmacies nationwide including over 18,000 independent pharmacies.

What's more, in the rare instance that a pharmacy is not already a part of the Sav-Rx pharmacy network, we invite them to participate so that there is zero disruption for Plan participants.

Customizable

Sav-Rx owns our retail pharmacy network, and we remain independent from any pharmacy chain. This independence allows us to work in the best interest of our clients and provide them with pharmacy networks tailor fit to their specifications.

Full Retail Network Analysis for Hamblen County Government

Sav-Rx compared our network to the pharmacies currently utilized by the Plan's participants. **We found that 100% of pharmacies were already in the Sav-Rx pharmacy network!**

Sav-Rx Mail Order Pharmacy

Sav-Rx owns and operates a fully integrated mail order facility. Our mail order facility is in Fremont, Nebraska and is optimal for its central location, the quality of staff, and reputation of excellence. We are operational 24 hours a day, 7 days a week, 365 days a year. Sav-Rx orders our products from the largest nationally recognized wholesaler, who guarantees the quality of all prescriptions delivered – both brand and generic. Sav-Rx allows only FDA approved medications, AB-rated generics to be substituted for brand name equivalents.

Sav-Rx Specialty Pharmacy

The Sav-Rx Specialty Pharmacy is committed to serving the needs of our patients in the management of specialty drugs including biotech injectables, infusions and advanced oral drugs. The Sav-Rx clinical staff plays an active role in helping patients achieve and maintain good health while addressing the increased costs that are often associated with these treatments. We are committed to taking care of patients by seeking out their needs, requirements and desires and addressing them one patient at a time.

Sav-Rx is independent, and we distribute our specialty medications through our own specialty pharmacy except limited distribution specialty drugs. In these cases, our clinical team carefully coordinates the enrollment and distribution of limited distribution medications with our dispensing partners.

Onsite Medication Dispensing and Vaccines

In conjunction with Hamblen County Government and A-S Medication Solutions, Sav-Rx is able to support onsite medication programs. This includes acute care, maintenance and vaccine. Patients will be able to receive their medications at a \$0 or reduced copay at the clinic. This savings to the patient will help increase the clinic's utilization and the patient's quality of care. This will improve care and medication adherence will create a healthier patient population and will lower long term medical costs.

Formulary Analysis

Customization for Optimal Health Outcomes

Sav-Rx allows for a great level of customization. This means that we are able to allow plans to include non-formulary drugs in their coverage. Some PBMs may not be able to include non-formulary drugs, but Sav-Rx is able to accommodate these sorts of customizations because we are committed to best serving the needs of the Plan and participants. The only drugs that we firmly suggest excluding are the drugs on our Fraud and Abuse Prevention List. Sav-Rx offers to grandfather formulary differences to prevent disruption.

Sav-Rx has completed a formulary analysis based upon the claims data provided, which resulted in a 95.8% match to the current formulary. Sav-Rx offers to grandfather formulary differences to prevent disruption.

Managing High-Cost Medications

Targeting Specialty and Brand Medications

To manage high-cost medications, it is necessary to find ways to combat the rising cost of specialty medications. For the past several years, specialty medications have been the fastest growing segment of the prescription drug spend. This trend will continue for the foreseeable future.

Just one new high-cost medication for one patient can cause an increase of tens or even hundreds of thousands of dollars for your health plan. Sav-Rx offers solutions to mitigate and control the costs of these medications, which is vital to maintaining the efficacy of a health plan and to ensure that patients have access to the medications they need.

Sav-Rx Rebates

Sav-Rx passes through 85% of 100% of pharmaceutical manufacturer revenue. Sav-Rx will retain up to 15% of pharmaceutical manufacturer revenue. Many PBMs may tell you that they are passing through 100% of rebates to them, but they are not passing back 100% of ALL pharmaceutical manufacturer revenue. These PBMs hide this in the wording of their proposals and contracts by calling the revenue that they retain: administration fees, formulary fees, incentive rebates, formulary placement payments, charge backs, discounts, data sales, education programs, etc. They profit by increasing the client's overall cost by promoting formulary brand drugs over lower-cost options. Sav-Rx, on the other hand, passes through 85% of all pharmaceutical manufacturer revenue.



Sav-Rx believes that the lowest overall cost is always in the best interest of the Plan and the participant. While rebates are certainly important, we do not promote high-cost brand name and specialty drugs to drive high rebates. Rather, our unique approach helps Plans take advantage of additional manufacturer revenue often found in Patient Assistance Programs and through our one-of-a-kind High Impact Advocacy Program.

Solution: Sav-Rx Clinical Management Programs

Sav-Rx clinical management programs provide highly effective ways to reduce overall drug spends. Cost reductions are proven to be a more effective means of driving savings than rebates, so our programs are designed around proven strategies to reduce the initial, upfront cost of medications.

Sav-Rx programs target different areas of the drug spend, but their methods to reduce the cost can be grouped into five main categories:

1. Formulary management
2. Brand to generic interchange
3. Prevention of fraud and abuse medications
4. Unique application of manufacturer coupons for high-cost medications
5. Use of Sav-Rx Mail Order and Specialty pharmacy to further reduce costs

Optional Clinical Management Programs

Sav-Rx offers a great variety of programs to achieve valuable benefits for the lowest cost possible. Each of these programs can work individually or in tandem with one another, but the key to each of their successes is the high-level of expertise, professionalism, and innovation that Sav-Rx brings in providing pharmacy benefit services.

Specialty Drug Program

The Specialty Drug Program includes a prior authorization process to help manage the high costs of specialty drugs. The prior authorization ensures that specialty medications are clinically appropriate for the diagnosis.

High Impact Advocacy (HIA) Program

The High Impact Advocacy Program targets high-cost medications with pharmaceutical manufacturer coupons to offset the cost to the plan sponsor and participants.

Participants' actual out-of-pocket payment after the coupon is processed is applied to the maximum out-of-pocket accumulator rather than the copay amount prior to the coupon processing.

This program mandates the use of the Sav-Rx specialty pharmacy to minimize patient confusion and extra steps.

Based on the provided claims data experience from January 1, 2022 through December 31, 2022, the Sav-Rx High Impact Advocacy Program would save the Plan an estimated \$99,929.90 or approximately 10.68% of total drug spend with the trajectory to save more.

Patient Assistance Program (PAP)

Sav-Rx developed the Patient Assistance Program to provide an avenue for patients who do not meet criteria for coverage through the prescription benefit, who are unable to afford the out-of-pocket expenses for their medications, or who have a prescription for a medication that is not covered by the plan sponsor.

For such patients, Sav-Rx will actively pursue financial assistance through programs made available by pharmaceutical manufacturers or other benevolence organizations.

Based on the provided claims data experience from January 1, 2022 through December 31, 2022, Sav-Rx would have been able to shift \$92,184.58 or approximately 9.85% of total drug spend.

Medical Claims to Pharmacy (M2P) Program

The M2P Program transitions certain prescription drug claims from the medical benefit to the pharmacy benefit in order to reduce high drug costs incurred at many medical clinics and facilities. Many of these costs come from infusions and some injectable medications, and by switching them to the pharmacy benefit, the plan sponsor can generate substantial savings in both drug and infusion costs.

This program allows savings from Sav-Rx discounts and rebates to be applied to covered prescription treatments that are dispensed from Sav-Rx pharmacies and delivered to the clinic or infusion center. This shift from medical coverage to the pharmacy typically results in savings from guaranteed AWP discounts, rebates, the High Impact Advocacy Program, and the Patient Assistance Program for drugs which previously had been approved off-label.

Prior Authorization Program

The Sav-Rx Prior Authorization Program is an extension of the specialty drug program and targets medications that warrant additional clinical management. This clinical oversight helps ensure that members are receiving the appropriate drugs for the treatment of specific conditions and in quantities as approved by the U.S. Food and Drug Administration (FDA).

Fraud and Abuse Prevention

This program ensures appropriate prescribing of medications. This can be applied to controlled substances, non-controlled substances, and compounds. Sav-Rx analyzed the provided claims data from January 1, 2022 through December 31, 2022.

Sav-Rx would have been able to manage 58 claims resulting in a potential savings of \$11,523.11 or approximately 1.23% of total drug spend.

Controlled Substances:

Claims for controlled substances are reviewed by our clinical staff to determine trends, appropriateness, and duplication of therapy. If there is a concern in the patient behavior, Sav-Rx will take appropriate action. Foremost, this program allows us to track and prevent potential drug seekers and recommend they enter a case management program. Secondly, we are able to ensure appropriate prescribing per FDA guidelines – thus improving therapeutic outcomes, decreasing side effects, and boosting compliance.

Pharmaceutical Manufacturer Pricing:

Sav-Rx proactively and closely monitors pricing fluctuations in the marketplace. If there is excessive inflammation detected in a particular manufacturer, drug, or class of medications, the Sav-Rx Pricing Control Team alerts our Clinical and Account Management teams to coordinate a plan to address participants and clients who would be impacted by these increases. Often, our Clinical Department will immediately reach out to prescribing practitioners to recommend a more cost-effective therapy. Occasionally, clinical reviews are warranted, and if necessary, patients are assisted in obtaining coverage through financial assistance programs.

Compounds:

Every compound submitted over \$100 is reviewed by both our clinical department and pricing control team. If any individual ingredient in the compound does not meet clinical coverage criteria, Sav-Rx will deny the claim. If the review team identifies the claim has been processed incorrectly (which occasionally happens and results in overpricing), the Sav-Rx staff works with the pharmacy to reprocess the claim for the negotiated price. If the cost for the claim exceeds the reasonable cost for the ingredients, Sav-Rx will work with the pharmacy staff to re-submit the claim with reasonable costs according to the ingredient cost submitted.

Therapeutic Quantity Limits Program

The Sav-Rx Therapeutic Quantity Limits Program ensures proper dosing and dispensing of certain medications based on FDA and manufacturer guidelines. The program monitors prescription utilization and helps identify potential overuse or misuse of medications such as narcotic pain relievers, sedative hypnotics, migraine treatments, respiratory, and nasal medications.

Formulary Management

Formulary management is critical to an effective prescription benefit plan. The formulary is what determines the medications that can be prescribed to members. Sav-Rx works with plan sponsors to develop clinically effective and cost-saving formularies to meet the plan sponsor's and members' needs.

Generic Promotion Programs

Generic Promotion Programs encourage the use of generic equivalents whenever available. If the patient or their physician requests a brand name drug instead of its generic equivalent, the member will be charged the brand copay PLUS the difference between the brand name drug and the generic equivalent. Override options to waive the difference in cost may be customized by the plan sponsor.

Therapeutic Interchange Program

The Therapeutic Interchange Program is a voluntary program and is designed to encourage generic utilization. Sav-Rx sends a customized letter to participants who are utilizing high-cost brand name medications that have a less expensive generic alternative. Members are encouraged to discuss the therapeutic alternative with their physician.

Step Therapy Program

The Step Therapy Program is designed to advance generic utilization. The program requires members to use a more cost-effective drug prior to an approval for a less cost-effective brand name medication. Drugs that qualify for Step Therapy are often high-priced and largely advertised. The goal of this program is to use a sequential drug therapy, meaning that drugs for a given condition will be dispensed using the most cost-effective sequence.

Drug Utilization Review

Advantages of the Sav-Rx's Drug Utilization Review:

- Ensures quality of care by comparing each prescription with member prescription data, benefit plan data, and pharmaceutical data
- Educates physicians and clients about cost effective prescription choices
- Enhances client's cost containment measures by encouraging the use of drugs on the client's preferred product list
- Improves network pharmacists' customer service by providing an average .89 second online response time to orders
- Coordinates members' prescription information from both network pharmacies and Sav-Rx's mail pharmacy to avoid duplicate prescriptions and potential drug interactions
- Identifies potentially problematic members and provides case management intervention
- Assists members with chronic diseases in medication compliance for more successful treatment outcomes
- Prospective, Concurrent, and Retrospective DUR programs ensure the highest level of care.

Sav-Rx Customer Service

Sav-Rx stands apart in the industry in our dedication to providing exceptional customer service, and it is also the number one reason why Sav-Rx is so successful. Quality customer service starts at our dedicated participant toll-free hotline, 1-800-228-3108, which is available 24 hours a day, 7 days a week, 365 days a year, including all major holidays. 100% of all incoming calls, are answered by a live representative – not a machine or an automated call routing system. All Sav-Rx account managers and customer service representatives are trained to listen to members, identify needs, and address them quickly and efficiently. In fact, 98% of all issues are resolved on the first call, and participants always have the ability to speak with a pharmacist if they feel the need. In addition, the average answer time is fewer than 20 seconds. We understand that the money you save by switching to Sav-Rx will not matter if your participants are unhappy with our services.

What's more, we assign an experienced, dedicated account management team to every client. Our team approach ensures that your questions are answered quickly and efficiently. Sav-Rx account managers take a consultative approach that involves constantly reviewing performance to identify opportunities to improve clients' prescription benefits. You will always speak with a live person every time you call account management. We take pride in our ability to provide thorough follow-through and

prompt follow-up for all questions and all issues. Your account management team will make sure that during implementation, we design reports with you that you can utilize.

High member satisfaction is essential to our business and enables us to better serve yours. By treating members with respect and promptly satisfying their needs, we are able to gain their trust and keep their confidence. This is important since we work with members on your behalf to achieve your goals.

Sav-Rx takes great pride in our ability to build and maintain long-term business relationships with our clients, and we are confident that we will provide you with excellent services and substantial cost savings.

Reporting

Utilization review is critical to developing Plan-specific utilization management solutions and Sav-Rx takes this to the next level. Sav-Rx, like most PBM's, have Prospective, Retrospective and Concurrent DUR processes and edits in place. Sav-Rx, however, does not stop there. Our pharmacists perform desk audit procedures on 100% of all paid claims. This extensive review process is the initial screening for retrospective drug utilization review. Less than 1% of all prescriptions reviewed undergo interventions; however, of these a high percentage are successful: over 40%. Further, on at least a quarterly basis the Operations Director, Sav-Rx Account Manager, Clinical Pharmacist and Executive Vice President personally and individually review every single report. This review involves checking claims against the plan design, reviewing changes in eligibility, mail order and retail pharmacy utilization, savings over U&C, trends in brand or generic utilization, age/sex utilization trend, and identifying opportunities to control cost and maximize the therapeutic aspect of the benefit for participants. Sav-Rx then prepares a full, detailed Plan review and clinical and/or cost savings recommendations. Sav-Rx also prepares modeling of any proposed changes to show the impact to the Plan and also to the participants. This hands-on approach to pharmacy benefits insures that Sav-Rx is an expert on each and every Plan's individual pharmacy benefit program. In addition to our standard quarterly report, during the implementation phase, the account manager will work to identify the Plan's specific reporting needs. All standard reporting, ad hoc reporting, and modeling is offered at no additional cost.

Pricing Notes:

The proposed prescription pricing rates are based on the following

- All prescription claims must be filled at a Sav-Rx Network Pharmacy.
- Eligibility must be member based, with a person code that identifies all employees and family members.
- The above discounts are based on a self-funded prescription benefit program in which the participant pays a copayment or coinsurance at the point of sale. The discounts are not guaranteed for cash discount cards programs and may vary based upon utilization and drug mix.
- Paper submitted claims are billed \$1.50 per claim. Cash discount card or "shoebox" claims, which the participant pays 100% of the discounted cost at the point of sale and submits the claim in for reimbursement are billed at \$0.29 per claim.
- High Deductible Health Plans are subject to \$0.29 per claim administrative fee.

Changes to Drug Pricing Benchmark

- Client acknowledges that the drug pricing contained in this Agreement is based on an industry wide benchmark called Average Wholesale Price or AWP. Client agrees that if this benchmark or the methodology for applying this benchmark changes at any time during the term of this Agreement, the parties will reopen the Agreement to negotiate a pricing formula that reflects the parties interest, and is consistent with the current pricing formula, using a benchmark that is a standard in the industry and agreed to by both parties. Sav-Rx will provide notice of such a change to the client and the client agrees to begin negotiations on changes to the pricing formula no later than ten (10) days following receipt of such notice. If no agreement is reached, either party may terminate this agreement upon 30 days written notice.

* Limited distribution generic drugs shall be passed through at actual cost, and will be excluded from generic discount guarantees. A limited distribution generic drug is a drug whose United States government patent has expired and is available from a single source or multiple sources under the provisions of the Drug Price Competition and Patent Term Restoration Act of 1984 (Hatch-Waxman Amendments) which govern the generic drug approval process and give 180 days of marketing exclusivity to certain generic drug applicants.



This proposal reflects the most current rates and fees being extended to Hamblen County Government by Sav-Rx Prescription Services.

Signature

Christy Piti

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Title

Sav-Rx Prescription Services

Company

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