

State of North Carolina

Minutes

County of Madison

The Madison County Board of Commissioners met in special session on Monday, December 20, 2021 at 1:00 p.m. at the Madison County Public Library Marshall Branch, 1335 N. Main Street, Marshall, North Carolina.

In attendance were Chairman Mark Snelson, Vice-Chairman Craig Goforth, Commissioner and Interim County Manager Norris Gentry, Commissioner Matt Wechtel, Commissioner Michael Garrison, and Clerk Mandy Bradley.

The meeting was called to order at 1:00 p.m. by Chairman Snelson.

Item 1: Personnel

Item 1 held.

Item 2: Employee Prescription Drug Program Agreement

Marla Gouge, Payroll and Benefits Coordinator presented information to the Board regarding the Employee Prescription Drug Program Agreement for calendar year 2022. Ms. Gouge discussed a proposed change of benefits manager for the employee prescription drug program from Magellan to Sona Pharmacy which would result in cost savings for the County.

Kelly Rose with Insurance Services of Asheville along with representatives from Sona Pharmacy participated in the meeting via remote means to discuss the information and answer questions from Board members.

Discussion was had by the Board regarding the proposed change and plan policy along with verification from entities including Cherokee County and Givens Estates who are currently enrolled with the Sona Pharmacy employee prescription drug program.

Upon motion by Commissioner Gentry and second by Commissioner Garrison, the Board voted unanimously to accept upon verification of Cherokee County and Givens Estates with Commissioner Gentry noting that he and Marla would do. (Attachment 2.1)

Item 1: Personnel (cont.)


Upon motion by Commissioner Gentry and second by Commissioner Garrison, the Board voted unanimously to enter into closed session for personnel at 1:21 p.m.

Upon motion by Vice-Chairman Goforth and second by Commissioner Garrison, the Board voted unanimously to return to open session at 3:36 p.m.

Item 3: Adjournment

Upon motion by Commissioner Gentry and second by Commissioner Garrison, the Board voted unanimously to adjourn at 3:37 p.m.

This the 20th day of December, 2021.


Mark Snelson, Chairman
Board of Commissioners

MADISON COUNTY

ATTEST:


Mandy Bradley, Clerk

A MANAGED PRESCRIPTION DRUG PROGRAM AGREEMENT
MANAGED BY SONA HEALTH, INC. DBA: "SONA BENEFITS" FOR
MADISON COUNTY.

Attachment 2.1

THIS AGREEMENT made by and between Sona Health, Inc. DBA: "Sona Benefits", a third-party administrator ("PBM") and Madison County ("Sponsor"):

WHEREAS, Sponsor desires to provide a prescription drug benefit program ("Program") for certain of its duly qualified and enrolled employees and dependents ("Participants"); and

WHEREAS, the parties desire to have PBM provide the exclusive contract administration and management of the Program for Sponsor through the network of Sona Benefits Pharmacy Providers (each a "Participating Pharmacy"); and

NOW, THEREFORE, in consideration of the promises and the mutual covenants and undertakings herein contained, the parties agree as follows:

1. DEFINITION OF TERMS

"Administrative Fees" means those fees payable to PBM as set forth in Schedule B to this Agreement.

"Authorized Physician" shall mean a health care practitioner licensed or authorized by law to issue an order for a prescription drug.

"AWP" shall mean the average wholesale price of a drug as set forth in a commercially available drug date file (e.g., Medispan or First Data Bank) approved by PBM.

"Blended" is the average annual discount from AWP and average dispensing fee billed to the Sponsor for brand and/or generic prescriptions. This rate may or may not be applicable to Sponsor's plan.

"Brand Drug" means a prescription drug product that is not a generic.

"Business Associate Agreement" means the document required by HIPAA to outline the privacy compliance provisions between PBM and Sponsor concerning covered participants PHI.

"Clearview" means PBM's exclusive full disclosure Network Program Pricing.

"Compound Medication" is defined by the U.S Food and Drug Administration ("FDA") as a medication that requires a licensed pharmacist to combine, mix, or alter the ingredients of a medication when filling a prescription. The active ingredients within a Compound Medication are FDA approved, but the FDA does not approve the quality, safety, and efficacy of the Compound Medication.

"Consultant" or "Broker" means any individual or firm selected by the Sponsor to perform certain duties pursuant to a contract or agreement between the Sponsor and Consultant or Broker.

"Covered Brand Drugs" shall mean (a) all Brand Drugs covered under Sponsor's Plan Design which, under state or federal law, requires a prescription, and (b) insulin, and diabetic supplies (e.g., syringes, test strips, and needles). Covered Brand Drugs shall exclude those drugs that are listed under the Exclusions in Schedule C.

"Covered Prescription Benefits, Participant Contributions and Limitations" means those categories of drugs or items identified as being covered under the Program in Schedule A of this Agreement, subject to the participant contributions and limitations described therein.

"Custom Computer Services" means any type of electronic or hard copy data files that Sponsor may request PBM to furnish to a Recipient as provided in this Agreement.

"Eligibility File Maintenance Data" means that form of data supplied by Sponsor so as to identify Participants as well as other eligibility information necessary to enable PBM to administer the Program and process prescription drug claims.

"Formulary" means the preferred drug list(s) as determined by PBM or Sponsor. The Formulary developed by PBM shall be known as the "PBM Formulary," while any Formularies developed by Sponsor shall be referred to as a "Sponsor Formulary." The drugs and supplies included on the PBM Formulary will be modified by PBM from time to time as a result of factors, including, but not limited to, medical appropriateness, manufacturer Rebate arrangements, and patent expirations. Additions and/or deletions to the PBM Formulary are hereby adopted by Sponsor, subject to a Sponsor's discretion to elect not to implement any such addition or deletion. Any such election will be considered a Sponsor change to the Formulary and subject to Guaranteed Rebate modification by PBM.

"Generic Drug" means a prescription drug, whether identified by its chemical, proprietary, or non-proprietary name, that is therapeutically equivalent and interchangeable with drugs having an identical amount of the same active ingredient(s) and approved by the FDA.

"Guaranteed Rebate" means the amounts of Rebates guaranteed under Schedule C of this Agreement, and that are subject to the Exclusions, conditions, and other requirements as expressly specified in this Agreement.

"HIPAA" means Health Insurance Portability and Accountability Act of 1996, as amended and in effect from time to time.

"Legend Drug" means any medicinal substance which bears the legend "Caution, Federal law prohibits dispensing without a prescription" and, for the purposes of this Agreement, shall include State Restricted Drugs (any non-federal Legend Drug which, according to state law, may not be dispensed without a prescription) and compounded prescriptions containing at least one Legend Drug as herein described in a therapeutic amount.

"MAC" or "Maximum Allowable Cost" means a list of drugs developed by PBM that are subject to maximum allowable cost payment schedules which specify the maximum unit ingredient cost payable by Sponsor for drugs on the MAC list. The PBM MAC list and schedules are subject to change as determined by PBM from time to time.

"Maintenance Drug" means any Legend Drug that is prescribed for the purpose of treating or preventing a chronic illness. "Maintenance Drug List" means a list of such drugs prepared by and on file at PBM, as modified and updated by PBM from time to time.

"Member Submitted Claim" means a paper claim submitted by a Participant for a medication.

"Minimum Enrollment" means not less than 80% of the total number of Primary Cardholders eligible and active on the effective date of the Agreement.

"NDC Block" means PBM will block a prescription medication from being filled at a pharmacy by using the drug's unique identifier (it's NDC).

"Other Vendor(s)" means any individual or firm selected by the Sponsor to perform certain duties pursuant to a contract or agreement between Sponsor and Vendor.

"Plan Design" means the covered prescription benefits, participant contributions and limitations adopted by the Sponsor as outlined in Schedule A of this Agreement.

"Participant" means any individual for whom Sponsor requests prescription benefit coverage. Participants will be specified by Sponsor in the then current Eligibility File Maintenance Data incorporated by reference in this Agreement.

"Participant Contribution" means that amount of money which the Participant must pay for each prescription filled or refilled under the terms of the Program as specified in Schedule A of this Agreement.

"Plan" or "The Plan" means the Sponsor's actual prescription drug benefit provided to its eligible members.

"Prescription Drug Management Pricing" means the agreed upon discount rate, the pharmacy dispensing fee, and other terms and conditions applicable to eligible prescription drugs processed by PBM as set forth in Schedule A of this Agreement.

"Primary Cardholder" means an actual employee of the Sponsor.

"Protected Health Information (PHI)" means individually identifiable participant health information as governed by HIPAA.

"Qualified Brand Claim" means a claim for a Covered Brand Drug submitted under a Plan Design that is eligible for inclusion in Guaranteed Rebates under the terms of this Agreement, subject to the Exclusions set forth in Schedule C.

"Rebates" means retrospective rebates or discounts which are paid to PBM pursuant to the terms of a contract with a pharmaceutical manufacturer and directly attributable to the Formulary (as defined herein) and utilization of certain pharmaceuticals by Participants.

"Rebate Program" means PBM's manufacturer rebate program under which PBM contracts with pharmaceutical manufacturers for Rebates as set forth herein.

"Recipient" means any individual or firm designated by Sponsor that PBM is authorized to provide Custom Computer Services as provided in this Agreement.

"PBM's Compounding Pharmacy Network" means the network of compounding pharmacies that are contracted by PBM to provide Compound Medication at reasonable and market-acceptable rates as defined and negotiated by PBM.

"SB" means Sona Benefits.

"Schedule II Drugs" means substances that have a high abuse potential with severe psychological or physical dependence liability but have an accepted medical use in the U.S. and are available for practitioners to prescribe, dispense and administer. (e.g., amphetamines, barbiturates).

"Service Fee" means the amount of compensation agreed upon by Sponsor payable to a TPA designated by Sponsor in accordance with the provisions contained in this Agreement.

"Third Party Administrator (TPA)" means any individual or firm appointed by Sponsor to perform certain administrative services pursuant to a contract or agreement between Sponsor and TPA.

"Usual & Customary" (U&C) is the lowest price a pharmacy would charge if the customer were paying cash, including senior citizen discounts and frequent shopper discounts.

2. DRUG COVERAGE AND EXCLUSIONS

- a. Coverage for Participants will be provided pursuant to Schedule A of this Agreement.
- b. The following medications are excluded from coverage:
 - i. Medications for which the cost is recoverable under any workers compensation or occupational disease law or any state or governmental agency, or medication furnished by any other drug or medical service where no charge is made to the Participant.
 - ii. Any Legend Drug for which the intended use has not been approved by the Food and Drug Administration and is therefore termed "Investigational."
 - iii. Any experimental drug even though a charge is made to the Participant.
 - iv. Any charge for the administration of any Legend Drug.
 - v. Legend Drugs which are to be taken or administered to the Participant, in part or in whole, while Participant is a patient in a licensed hospital, rest home, sanitarium, extended care facility, convalescent hospital, nursing home, or similar institution which requires special unit-dose type packaging of Legend Drugs for its patients.
 - vi. Drug charges exceeding the cost for the same drug in conventional packaging.

3. QUANTITIES DISPENSED

The quantity dispensed for each covered prescription or refill of a covered prescription will be the quantity prescribed, up to the limits set forth in Schedule A of this Agreement.

4. REFILLS

A covered prescription may be refilled up to one year from the time it was issued by the Authorized Physician if the Authorized Physician authorizes and if allowed by state and federal laws. All applicable pharmacy laws shall take precedence over the terms of this Agreement.

5. PARTICIPANT COVERAGE

Coverage for Participants will be only as specified by Sponsor in the then current Eligibility File Maintenance Data which is hereby incorporated by reference into this Agreement for all purposes.

6. PBM agrees to:

- a. Allow Participants of the Program to obtain and charge Covered Prescription Benefits at any Participating Pharmacy after paying the Participant Contribution, if one is required by the Program.
- b. Contractually require Participating Pharmacies to collect the full amount of the Participant Contribution, if any, from Participants for each new or refilled prescription at the time of the purchase.
- c. Bill will be sent to third party administrator on or about the first and the fifteenth of each month for Covered Prescription Benefits provided by all Participating Pharmacies according to the pricing formula set forth in this Agreement and for all applicable administrative fees set forth in Schedule B of this Agreement. Sponsor will pay consolidated bill through the third party administrator. Such invoices shall provide a detailed summary of the claims, the amount due for said claims, the administrative fees due, and such other information which Sponsor and PBM mutually agree upon.
- d. Send all PBM standard materials related to the administration of the Plan, including the contracts, employee handouts, provider lists, ID cards and reports to the appropriate party via regular US Mail. Any charges incurred for special delivery will be billed to the Sponsor.
- e. Implement the Formulary and provide formulary management services that may include cost containment initiatives, communications with eligible members, network pharmacies and/or physicians for generic and formulary substitution as may be deemed appropriate.
- f. PBM will provide Sponsor with a Rebate payment as set forth within the Agreement provided Sponsor complies fully with the terms of the Formulary and with the formulary management programs implemented by PBM. Upon termination of the Agreement, Sponsor must comply with Section 26 of this Agreement, and if Sponsor fails to do so, PBM may retain all unpaid Rebates.
- g. Notwithstanding any other terms of this Agreement, if PBM determines that any direct action taken by Sponsor has a material adverse effect on the availability of Rebates under this Agreement, PBM may modify the pricing and Rebate provisions herein.
- h. PBM shall provide Sponsor access to ongoing utilization reports available through the PBM standard report package. At the request of the Sponsor, PBM may develop special reports not included in the standard report package at an hourly rate determined by PBM based on the scope of the project.
- i. Provide an account management team that will serve as a point of contact and provide assistance to Sponsor in all situations provided for under this Agreement.

7. SPONSOR agrees to:

- a. Provide PBM, or its agent, with complete Eligibility File Maintenance Data, listing those Participants that Sponsor wishes to enroll in the Program.

Sponsor shall be responsible for the correctness, completeness and accuracy of all data submitted to PBM or its agent, concerning the Eligibility File Maintenance Data and any updates thereof. If any such data submitted to PBM, or its agent, is incorrect, incomplete, not in good condition, or not submitted on time, Sponsor shall be responsible for any charges that may result from the use of said information in the verification of eligibility and the provision of services by Participating Pharmacies.

- b. Inform PBM, or its agent, using the appropriate data forms, of all changes in the status of Participants (e.g., additions, terminations, etc.) as soon as needed to ensure timely and accurate Participant status, but in no event less than monthly.
- c. Adopt the PBM Formulary and implement the plan provisions outlined in Schedule A of this Agreement. It is understood and agreed that although the Sponsor may modify the Formulary by either adding or removing certain drugs, such changes may result in modification of the Guaranteed Rebates.
- d. Pay in full, upon receipt of billing, all PBM invoices submitted through the third party administrator for charges made by Participants, including those invoices made for related administrative fees. Bill will be sent to third party administrator on or about the first and the fifteenth of each month for Covered Prescription Benefits provided by all Participating Pharmacies according to the pricing formula set forth in this Agreement and for all applicable administrative fees set forth in Schedule B of this Agreement. Sponsor will pay consolidated bill through the third party administrator. All invoices shall be paid in United States dollars by check or electronic payment, within ten (10) business days of the receipt of each invoice. Sponsor shall pay a late payment charge of the lesser of (1) the maximum legally permitted rate, or (2) one percent (1%) per month on the amount of the unpaid balance of each invoice not paid in full by the due date. Sponsor shall pay all expenses incurred by PBM in connection with the collection of any and all amounts due PBM hereunder, including all reasonable attorney's fees plus interest and court costs. If payment for any billing cycle is not received by the close of the next billing cycle, the invoice will be deemed past due. Prescription transactions may be suspended automatically by PBM when at any time, an outstanding invoice is thirty (30) days past due. The Program may be reinstated if payment of all past due amounts is received within ten (10) business days of the suspension. Thereafter, a written request to reinstate, and full payment of any amounts due, must be received by PBM before reinstatement will occur.
- e. If any change in Federal or applicable state law or regulation increases payments for medications to Participating Pharmacies, the pricing set forth within this Agreement may be increased by PBM in that same amount.
- f. Sponsor represents and warrants that it has obtained from the Sponsor's Participants all consents and authorizations required, if any, for PBM to perform the services and for the use and disclosure of information, including PHI, as permitted under this Agreement.
- g. Sponsor retains the sole and absolute authority to design, amend, terminate or modify, in whole or in part, all or any portion of the Plan, including the sole authority to control and administer the Plan and any assets of the Plan. Sponsor will also have complete discretionary, binding and final authority to construe the terms of the Plan, to interpret ambiguous Plan language, to make factual determinations regarding the payment of claims or provision of benefits, to review denied claims and to resolve complaints by Participants. PBM and Sponsor acknowledge and agree that PBM shall not be a named fiduciary with respect to the Plan for purposes of any applicable state law. Sponsor shall provide PBM with at least thirty (30) days prior written notice of any proposed changes to the Plan, which changes shall be consistent with the scope and nature of the services to be performed by PBM under this Agreement.

8. CUSTOM COMPUTER SERVICES

Sponsor may contract with Consultants or Brokers, TPAs or other Vendors as defined in this agreement to perform certain duties pursuant to a contract or agreement between Sponsor and the designated individual or firm (each a "Recipient"). It is understood and agreed that PBM is not a party to any such contracts or agreements with a Recipient, and PBM will not be bound by any terms or conditions contained in such contracts or agreements. If required and at the written direction of Sponsor, PBM will provide custom computer services including electronic data files to designated Recipient(s), subject to the following conditions:

- a. Custom Computer Services and electronic data files will be provided to the Recipient(s) in a standard PBM format; if Sponsor requests Custom Computer Services or electronic data files in non-standard PBM format, then Sponsor shall pay PBM for such services or files at PBM's then prevailing rates based on the scope of the project.
- b. PBM will, at its sole discretion, charge an additional one-time or recurring fee in an amount determined by PBM based on the scope of the project and the frequency of which the data is required.
- c. Special computer programming, analytical services or other ad hoc services that may be required to support such custom computer services will be provided at PBM's prevailing rate as in effect from time to time.
- d. It is understood and agreed that PBM possesses certain ideas, systems, data files, negotiated pharmacy pricing components, and other information relating to the services that PBM provide that are Confidential and Proprietary to PBM. As such PBM requires that a Confidentiality/Non-Disclosure Agreement be entered into between PBM and the Recipient(s).
- e. Sponsor will be responsible for securing any required "Business Associate Agreement" with the Recipient that may be required under HIPAA. Sponsor will provide PBM with a copy of any such agreement prior to any PHI being released to the Recipient.

9. REBATE PROGRAM (if applicable)

- a. Formulary and Administration Services:
 - i. Updates to any Sponsor Formulary must be communicated to PBM promptly, and in no event later than 60 days prior to the updated Formulary becoming effective.
 - ii. The parties agree that PBM may update the PBM Formulary from time to time upon notice to Sponsor. PBM reserves the right to add or delete products from the PBM Formulary from time-to-time as a result of various factors, including, but not limited to, medical appropriateness, manufacturer rebate arrangements, and patent expiration, and also reserves the right to modify or replace its formulary compliance methods, controls, and cost containment initiatives.
 - iii. PBM shall perform the following services: (A) the negotiation, management and maintenance of contracts with pharmaceutical manufacturers

for the purpose of obtaining Rebates; (B) the development and implementation, in accordance with this Agreement, of Formulary management programs designed to maximize Formulary compliance; and (C) the submission, billing, and collection of Rebates on behalf of Sponsor; and the payment of Guaranteed Rebates to Sponsor in accordance with this Agreement.

b. Rebate Program:

i. Subject to the remaining terms of this Agreement, PBM will pay to Sponsor the Guaranteed Rebates set forth on Schedule C. The Guaranteed Rebates are conditioned upon, Sponsor implementing the PBM Formulary, which may include cost containment initiatives. If any government action, change in law or regulation, or change in the interpretation of any law or regulation, or any action by a manufacturer or Sponsor has an adverse effect, including the removal of Formulary management programs, on the availability of Rebates, then PBM shall have the right to make an adjustment to the Guaranteed Rebate set forth in Schedule C.

ii. Subject to the conditions set forth herein, SB shall pay Client the Guaranteed Rebates set forth in herein for each Brand Drug Qualified Claim submitted to SB within one hundred and fifty (150) days following the end of the calendar quarter in which the claims were incurred. Provided, however, that SB shall make quarterly payments as provided herein only to the extent of the allocable Rebate payments which SB receives within one hundred and fifty (150) days following the end of the quarterly period. Payments equal to allocable Rebate amounts that SB receives later than one hundred and fifty (150) days following the end of a quarter shall be included by SB in the next quarterly payment. Client acknowledges and agrees that neither it nor its Sponsors shall have a right to interest on, or the time value of, any Rebate payments received by SB or moneys payable under this Section. SB may delay payment of rebates to allow for final adjustments upon termination of this Agreement. It is understood and agreed that any Rebates which have not been paid to Client as of the effective date of termination shall be payable only if the Client complies with all of the provisions contained in this Agreement.

iii. The pricing set forth in this Agreement is conditioned upon various factors including PBM's exclusivity hereunder, the utilization (including claims mix and volume) and plan design information as communicated by Sponsor to PBM, and program specifications agreed to between the parties as reflected in this Agreement and as otherwise hereafter agreed to by the parties in writing. The pricing is also conditioned upon Sponsor: (i) funding 50% or greater of the aggregate annual costs of all Covered Brand Drugs dispensed for all Participants within the applicable Plan, and (ii) adhering to various formulary management controls, benefit design requirements, and other similar factors expressly stated in the applicable manufacturer agreement, as communicated by PBM to Sponsor from time to time. Failure to satisfy any condition herein, including but not limited to any modification of the plan design or Program specifications, may result in a modification by PBM of the Rebate terms set forth in Schedule C effective as of the date of the event.

c. Sponsor Obligations:

i. Sponsor hereby certifies that the group will only contract with SB for Rebate processing with manufacturers. Sponsor further agrees to provide information and support reasonably required by PBM to answer and satisfy audit queries from manufacturers regarding the claims. Additionally, if any pharmaceutical manufacturer's audit discloses an underpayment to Sponsor, Sponsor shall be entitled to the portion that was underpaid. If any pharmaceutical manufacturer's audit discloses an overpayment to Sponsor, Sponsor shall be required to reimburse the overpayment to the pharmaceutical manufacturer.

ii. Sponsor shall provide PBM with written notice of changes to any Sponsor Formulary or any formulary controls, including, but not limited to, prior authorizations, step therapy, quantity limits, or NDC blocks, no later than 60 days prior to such Formulary or Formulary control change taking effect. In the event of an addition of a new Sponsor Formulary, or changes to any Sponsor Formulary, PBM shall have the right to retrospectively (back to the date of the change) and prospectively adjust Rebate terms contained in this Agreement.

iii. Sponsor hereby represents and warrants that it has terminated all agreements between itself (and its affiliates) and all pharmaceutical manufacturers, pharmacy benefit managers, insurers or other entities under which Sponsor receives Rebates other than from PBM. Consequently, PBM shall be the only party that will collect and submit claims to a manufacturer for Rebates during the term of this Agreement. Sponsor also agrees not to enter into any agreement with a pharmaceutical manufacturer that would have the effect of reducing Rebates received by PBM.

10. SUBCONTRACTING

PBM reserves the right to subcontract its functions and services to be provided pursuant to this Agreement, including, but not limited to, claims processing, marketing, formulary management and pharmacy services. To the extent PBM subcontracts services herein to a third party, PBM shall be responsible and liable for the performance of any such third party.

11. EXCLUSIVE PARTICIPATION BY PHARMACIES

Only those Participating Pharmacies which have been certified by PBM shall be allowed and authorized to provide prescription services under the terms of the Program.

Mail order dispensing fees are subject to change from time to time for increases in postage and delivery charges, upon written notice to Sponsor.

If PBM pays a Pharmacy a higher rate because Sponsor has requested such Pharmacy be included in the network, the rate charged to Sponsor shall be the net ingredient cost plus the dispensing fee paid by PBM to such Pharmacy, plus applicable sales or excise tax or other governmental surcharge, or any preferred product dispensing fees.

12. RELATIONSHIP BETWEEN SPONSOR AND PBM

With respect to each other, Sponsor and PBM are independent contractors, and this Agreement shall not be construed to create any other relationship between the parties.

13. RENDERING OF SERVICE

Nothing contained in this Agreement shall be construed to require the Participating Pharmacy to render any pharmaceutical service or dispense any prescription medication if, in the dispensing pharmacist's professional judgment, such service should not be rendered or such medication should not be dispensed.

14. AMENDMENT AND MODIFICATION

This Agreement shall not be amended or modified in any manner whatsoever except by a written instrument signed by the parties hereto. Any handwritten or verbal changes to this Agreement are void.

15. SCHEDULES

Schedules mean the attached documents setting out certain particulars of this Agreement, or any replacement documents thereof. All Schedules are incorporated herein by reference and are made part of this Agreement for all purposes.

16. PROGRAM PRICING

The Program Pricing set forth in Schedules B and C are conditioned upon the Plan Design, Minimum Enrollment, PBM Formulary and other plan provisions included in this Agreement. Actual rates may vary by Participating Pharmacy. Clearview network pricing is equivalent to the direct pharmacy contract rate reimbursed to the pharmacy for ingredient cost and dispensing fee. No markup, spread pricing or negative billing is included in the billed charges. Certain retail and mail order claims may be excluded by PBM from the Schedule's guarantee calculations, including, but not limited to, (a) select generics, which are generic drugs that enter the market with supply limitations, two or less manufacturers, or competitive restrictions that limit marketplace competition and (b) claims for select injectable drugs and select oral drugs that are bio-technological in nature, compound drugs and those requiring special handling. The Program Pricing terms are also based on the Sponsor funding 50% or greater of the cost of covered drugs for Participants. Any modification of the Plan Design, failure to meet Minimum Enrollment, modification of the PBM Formulary or other plan provisions by the Sponsor may result in retroactive modification to the date of the modification and prospective modification to the PBM Program Pricing. Unless otherwise stated herein, Sponsor will provide PBM with at least thirty (30) days prior written notice of any changes desired for approval by PBM. All calculations and guarantees of Fees, as set forth in Schedule B, shall be based on overall performance under the Program. All calculations and guarantees of Fees, as set forth in Schedule B, shall be based on overall performance under the Program. The guarantees listed herein (e.g., guarantees listed in Schedules B and C) shall become final, binding, and conclusive upon the parties unless Sponsor objects in good faith thereto within 60 days following the end of the guarantee period. Unless otherwise stated herein, PBM's internal maximum dollar amount is \$1,500 for a medication. Any medication of a Participant equaling or exceeding PBM's internal maximum dollar amount will automatically be denied and reviewed by the PBM Clinical Department unless otherwise instructed by the Sponsor. Sponsor shall have the right to increase, decrease, or cancel PBM's maximum dollar amount limit. Once PBM receives written notification from Sponsor regarding an adjustment to PBM's maximum dollar amount, PBM shall implement said maximum dollar amount on all future un-adjudicated claims. All Compound Medication exceeding \$100.00 and/or exceeding four Compound Medications per Participant per month will automatically be denied and reviewed by PBM's Clinical Department to ensure the cost is reasonable and within market-acceptable ranges. This may include redirecting the prescription to PBM's Compounding Pharmacy Network.

17. INTERPRETATION OF THE PLAN

It is expressly understood and agreed that PBM is not a fiduciary or Plan Administrator as those terms are used in the Employee Retiree Income Security Act of 1974 (ERISA), 29 U.C.S. 1001 et seq., and the regulations promulgated therein. Sponsor will have full, binding and final authority to interpret benefits and eligibility provisions and shall make the final determination regarding the payment of questionable claims and to resolve complaints or issues with Participants.

18. NOTICES

All notices to be furnished pursuant to the terms and provisions of this Agreement shall be personally delivered or sent by certified mail, return receipt requested, to the address set forth at the end of this Agreement.

19. CAPTIONS AND HEADINGS

The captions and headings set forth in this Agreement are for convenience of reference only and shall not define or limit any of the terms or provisions hereof.

20. SEVERABILITY

The invalidity or unenforceability of any term or provision hereof shall in no way affect the validity or enforceability of any other term or provision.

21. ADVERTISING AND PROMOTIONAL CONTROL

PBM reserves the right to control the use of the words "Sona" and all service marks presently existing or hereafter established in connection with the Program. Sponsor agrees that it will not use such words, symbols, trademarks or service marks in advertising or promotional materials or otherwise, and that it will not advertise or publicly display such words, symbols, trademarks or service marks without the prior written consent of PBM, and will cease any and all usage

immediately upon termination of this Agreement.

22. GOVERNING LAW, FORUM SELECTION CLAUSE, AND VENUE SELECTION CLAUSE

Any and all disputes that relate to or arise from this Agreement shall be governed by North Carolina law, and shall be decided solely and exclusively in Buncombe County, North Carolina. Any party who unsuccessfully challenges the enforceability of this forum selection clause shall reimburse the prevailing party for its attorney's fees, and the party prevailing in any such dispute shall be awarded its attorneys' fees.

23. FORCE MAJEURE

Neither party shall be liable for failure to perform its obligation under this Agreement if prevented from doing so by a cause or causes beyond its commercially reasonable control, including, but not limited to, acts of God or nature, fires, storms, floods, hurricanes, earthquakes, riots, strikes, wars, or restraints of government.

24. ENTIRE AGREEMENT

This Agreement, including any Schedules attached hereto and authorized amendments, shall constitute the entire understanding between the parties hereto and shall supersede any and all prior or contemporaneous representations, statements, understandings, negotiations, bids, bid commitments, proposals, or agreements, whether oral or written between the parties.

25. WAIVER

No delay or failure of PBM or Sponsor in exercising any right hereunder and no partial or single exercise thereof shall be deemed of itself to constitute a waiver of such rights or any other right hereunder.

26. TERM

The Initial Term of this Agreement shall be one (1) year, commencing January 1st, 2022, and ending on the first anniversary of such date. However, this Agreement may be terminated earlier or extended in accordance with the provisions of this Agreement as follows:

- a. Either party may terminate this agreement on ten (10) days' prior written notice to the other party if the other party is in default under any of the terms and provisions of this Agreement or under the terms and provisions of any other Agreement entered into by the parties in connection with the Program and has failed to cure default within twenty (20) days following written notice of such default.
- b. The terms of this Agreement shall be automatically renewed for successive additional Initial Term periods thereafter (each a "Renewal Term") unless written notice to the contrary is given by either party to the other not less than ninety (90) days prior to the end of the current contract term. If Sponsor fails to provide written notice as set forth herein, this Agreement shall renew in accordance with the Renewal Term. Notwithstanding any provisions of this Agreement to the contrary, the Agreement may not be terminated by either party "without cause" prior to the expiration of the Initial Term or any Renewal Term. If this Agreement is terminated prior to the Initial Term and/or Renewal Term, Sponsor shall be in non-compliance and violation of Section 26.
- c. If Sponsor gives PBM an early termination notice for a date prior to the end of the Initial or Renewal Term, Sponsor will pay PBM an early termination fee in the amount equal to the monthly claims average, multiplied by the early termination period number, multiplied by \$6.95. "Early termination period number" means the quotient of the number of days from the early termination notice to the end of the Initial or Renewal Term of the Term then in effect, divided by 30 days.
- d. If this Agreement has any affect whatsoever on the level of reimbursement that the Participating Pharmacies received from any applicable state Medicaid program, this Agreement may be immediately terminated by PBM.
- e. PBM may terminate this Agreement or suspend processing prescription transactions in its sole discretion automatically without notice when, at any time, an outstanding invoice is thirty (30) days past due.
- f. Either party in accordance with applicable law may terminate this agreement upon the insolvency of the other party. Insolvency shall mean the filing of a bankruptcy petition, either voluntary or involuntary, under the United States Bankruptcy Code, inability to pay debts as they become due, appointment of trustees to liquidate any material part of its property or holdings, proceedings under any receivership, composition, readjustment, liquidation, insolvency, dissolution or any like law or statute.
- g. If the pricing methodology, pricing calculation by PBM's pricing source vendor, or pricing source vendor used by PBM changes in a manner that causes a material change in the financial arrangement between the parties, a party may request, and both parties will engage in, good faith renegotiations of the financial terms of this Agreement toward the goal of restoring the parties' relative economic positions. If such negotiations do not yield a binding agreement between the parties within thirty (30) days of initiation of such negotiations, PBM may, upon notice to Sponsor, modify the pricing set forth in this Agreement, as appropriate, to account for any such change.

27. POWER AND AUTHORITY

Each of the individuals who have executed this Agreement on behalf of one of the parties hereto represents and warrants that he or she has the power and authority to execute this Agreement on behalf of such party and to bind such party to the terms and provisions of this Agreement.

28. RIGHT TO AUDITS

Sponsor or its representative approved by PBM shall have the right to perform an audit of charges submitted to Sponsor by PBM for services provided under the terms of this Agreement for a maximum period of eighteen (18) months prior to the agreed upon audit date. Such audit will be subject to execution of a confidentiality agreement provided by PBM and any other applicable confidentiality provisions and legal requirements. Any audit requested by Sponsor may

only be conducted once annually and requires sixty (60) days' prior written notice. The audit will be performed at the PBM corporate offices during regular business hours and all costs for such audits will be entirely the responsibility of Sponsor and will be due and payable upon completion of such audits.

Any agreements between PBM and pharmaceutical manufacturers or any subcontracted formulary management company are subject to confidentiality agreements. Any audits conducted by Sponsor in accordance with the above will not include any such agreements.

29. FINANCIAL RESPONSIBILITY

Notwithstanding any other provisions of this Agreement, if PBM determines at any time based on reasonable grounds that Sponsor may not fulfill its payment obligations under this Agreement as they become due, PBM may request any information deemed necessary to evaluate the financial responsibility of the Sponsor. If the information is not provided to PBM within five business (5) days, or if the information provided by Sponsor is not satisfactory in PBM's reasonable judgment, PBM may immediately terminate this Agreement.

30. CONFIDENTIALITY OF INFORMATION

(a) Pursuant to this Agreement, PBM shall take all reasonable precautions to prevent disclosure or misuse of any PHI except as reasonably necessary to implement and operate the program and fulfill its obligations under the terms of the Agreement as required by applicable law. PBM shall disclose such information only:

- a. in response to a court order;
- b. for an examination conducted by the state Commissioner of Insurance;
- c. at the written request of Sponsor; or
- d. with the written consent of Participant or his/her legal representative.

(b) The provisions of this paragraph (b) shall apply with respect to any PBM Data that may be provided to Sponsor in connection with this Agreement. During the term of this Agreement, Sponsor may request, and PBM may, in its sole discretion, provide, certain confidential information concerning PBM's Clearview Network Pricing Program, including, without limitation, financial and business information, pricing information, notes, analyses, compilations, studies, forecasts, and interpretations. As a condition to such information being furnished to Sponsor and its Representatives, Sponsor and its Representatives agree to treat all of such information (whether or not prepared by PBM or its Representatives and irrespective of the form of communication (i.e., whether written or oral) that is furnished to Sponsor or to its Representatives now or in the future by or on behalf of PBM (collectively, the "PBM Data") in accordance with the provisions of this section. A party's "Representatives" shall include the directors, officers, shareholders, managers, members, partners, employees, contractors, sponsors, agents, and advisors, including attorneys and accountants, of such party.

The term "PBM Data" shall also be deemed to include any documents or information prepared by Sponsor or its Representatives that derive from, contain, reflect or are based upon, in whole or in part, the information furnished to Sponsor or its Representatives pursuant hereto. Notwithstanding any other provision hereof, the term PBM Data does not include information that (i) is or becomes generally available to the public other than as a result of a disclosure by Sponsor or its Representatives in violation of these provisions, (ii) was within Sponsor's lawful possession prior to it being furnished to Sponsor or its Representatives by or on behalf of PBM pursuant hereto, (iii) becomes available to Sponsor or its Representatives on a non-confidential basis from a source other than PBM or any of its Representatives, provided that such source is not known by Sponsor to be bound by a confidentiality agreement with, or other contractual, legal or fiduciary obligation of confidentiality to, PBM with respect to such information or (iv) is independently developed by Sponsor or its Representatives without violating any of Sponsor's obligations hereunder.

Sponsor hereby agrees that (a) Sponsor and its Representatives will keep confidential the PBM Data in accordance with the requirements of this section and not disclose any of the PBM Data to any person or entity except as permitted by this section, and (b) Sponsor and its Representatives will not use any of the PBM Data for any purpose except for the mutual benefit of Sponsor and PBM in carrying out the terms of this Agreement; provided, however, that (i) Sponsor may make any disclosure of the PBM Data with PBM's prior consent, and (ii) Sponsor may make any disclosure of the PBM Data to its Representatives who need to know such information for the purpose of assisting Sponsor in carrying out the terms of this Agreement, who are informed of the confidential nature of such PBM Data and who are instructed to maintain the confidentiality thereof.

31. INDEMNIFICATION

Each Party ("Indemnifying Party") shall hold harmless, and indemnify the other Party ("Indemnified Party") and its directors, officers, agents and employees against any and all loss, liability, claim, damage, or expense, including any direct, indirect or consequential loss, liability, damage, or expense, including court costs and attorneys' fees, resulting from or attributable to (i) the acts or omissions of the Indemnifying Party, or their agent, under the Agreement; and (ii) the breach by Indemnifying Party's, or their agent, covenants, obligations, representations or warranties under this Agreement.

32. PATIENT CONFIDENTIALITY

Each party acknowledges and agrees that the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 (HIPAA) and regulations promulgated there under by the U.S. Department of Health and Human Services (the "HIPAA Regulations") govern the privacy of personally identifiable health information ("PHI"). Accordingly, each party agrees to comply with the HIPAA Regulations and applicable state regulations to the extent such regulations apply to the sharing of PHI between them. The parties will comply with the Business Associate Agreement attached hereto as Schedule E.

33. RECITALS

The recitals stated above are incorporated herein as though they have been fully set forth within the Agreement.

34. INTERPRETATION

The parties affirmatively represent that they are entering into an arms-length transaction and have both been given an opportunity to review the Agreement and have reviewed the Agreement. No provision of this Agreement will be interpreted in favor of, or against, any of the parties hereto by reason of the extent to which any such party or its counsel participated in the drafting thereof.

35. BINDING EFFECT

This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, successors and permitted assigns.

36. GOVERNMENT PROGRAMS

To the extent applicable, payments made herein to Sponsor pursuant to this Agreement are intended to be treated as "discounts" pursuant to the federal anti-kickback statute set forth at 42 U.S.C. §1320a-7b, including the "Discount Exception" at 42 U.S.C. §1320a-7b(b)(3)(A), and implementing regulations (the "Federal Anti-Kickback Laws"). Sponsor shall be responsible for properly disclosing and appropriately reflecting the specified dollar value of discounts or reductions in price in costs claimed or charges made by Sponsor under any state or federal health care program (as defined in 42 U.S.C. §1320a-7b(f)) for items covered under this Agreement, in accordance with the Federal Anti-Kickback Laws and the related safe harbor regulation (42 C.F.R. §1001.952(h)). In any event, Sponsor shall properly disclose all Rebates provided in connection with this Agreement as required by law, including to representatives of Medicare, Medicaid, and other federal health care programs (as defined in 42 U.S.C. §1320a-7b(f)) upon request by an appropriate governmental authority.

37. THIRD PARTY BENEFICIARY

This Agreement is not a third party beneficiary contract, nor will this Agreement create any rights on behalf of any party other than PBM and Sponsor.

38. LIMITATION OF LIABILITY

Except as otherwise expressly set forth herein, PBM makes no additional representations or warranties, including without limitation, warranties of merchantability or fitness for a particular purpose. In no event shall either party be liable to the other party for any incidental, special, consequential, or punitive damages as a result of the performance or any default in the performance of their respective obligations under the Agreement.

39. EXCLUSIVITY

PBM shall be the exclusive provider of the services described within the Agreement for Sponsor.

40. TAXES AND ASSESSMENTS

Sponsor shall be solely financially responsible for making payment of all sales, use, excise, or other similarly assessed taxes, surcharges or fees imposed on items dispensed, or services provided hereunder.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date(s) noted below.

Sona Health, Inc. DBA: "Sona Benefits"

Signature: Brad Melson

Print Name: Brad Melson

Print Title: General Manager

Date: December 7th, 2021

Madison County

Signature: Mark Snelsen

Print Name: Mark Snelsen

Print Title: Chairman Board of Commissioners

Date: December 20, 2021

"SCHEDULE A"
COVERED PRESCRIPTION BENEFITS-COPAYMENTS-LIMITATIONS

See Pharmacy Benefit Worksheet (developed with Sponsor input following contract signing).

"SCHEDULE B"
FEEES

Administrative Fee Per Claim

An administrative fee of \$6.95 per transaction shall be paid to the designated Payee by Sponsor. Service fees are disbursed on a bi-weekly basis after receipt of invoiced charges from the Sponsor.

Payee: Sona Benefits

Sona Max Program Fee

A Sona Max Program fee totaling 20% of savings per qualified transaction shall be paid to the designated Payee by Sponsor. Sona Max Program fees are disbursed on a monthly basis after receipt of invoiced charges from the Sponsor.

Payee: Sona Benefits

Sona Health Management Fee (Optional)

If the Sponsor elects to utilize the Sona Health Management Program, \$50 per enrolled member per month will be paid to the designated Payee by Sponsor. Sona Health Management Program fees are disbursed on a monthly basis after receipt of invoiced charges from the Sponsor.

Payee: Sona Benefits

Dispensing Fees

Sona National Network:

For Retail Pharmacies

Brand: AWP less 16% plus \$0.50 - \$1.75 dispensing fee, or U&C.

Generic: SB MAC or AWP less 78% plus \$0.50 - \$1.75 dispensing fee, or U&C.

For Retail Pharmacies 90 Day Network

Brand: AWP less 19% plus \$0.00 - \$0.50 dispensing fee, or U&C.

Generic: SB MAC or AWP less 80% plus \$0.00 - \$0.50 dispensing fee, or U&C.

For Mail Order Pharmacy

Brand: AWP less 20% plus \$0.00 dispensing fee

Generic: SB MAC or AWP less 80% plus \$0.00 dispensing fee.

For SB Specialty Drug Program

AWP less 17% plus \$2.00 dispensing fee

Sona Select Network:

For Retail Pharmacies

Brand: AWP less 17% plus \$0.50 - \$1.75 dispensing fee, or U&C.

Generic: Sona MAC or AWP less 78.50% plus \$0.50 - \$1.75 dispensing fee, or U&C

For Retail Pharmacies 90 Day Network

Brand: AWP less 20% plus \$0.00 - \$0.50 dispensing fee, or U&C

Generic: Sona MAC or AWP less 81% plus \$0.00 - \$0.50 dispensing fee, or U&C

For Mail Order Pharmacy

Brand: AWP less 20% plus \$0.00 dispensing fee.

Generic: Sona MAC or AWP less 80% plus \$0.00 dispensing fee

For Sona Specialty Drug Program:

AWP less 17% plus \$2.00 dispensing fee

Optional Services

- Independent Review Organization ("IRO") Appeals performed by MCMC LLC - \$500.00 per appeal. Participants shall have the right to appeal a denied claim pursuant to the Sponsor's Plan and/or other Sponsor administrative documents listing the Participant's appeal rights. If the Sponsor's Plan and/or other Sponsor administrative documents do not include an appeal process, PBM shall have an IRO appeal process available for Sponsor's Participant to use as set forth herein.

"SCHEDULE C"
REBATES

The financial terms set forth herein are conditioned upon the requirements within this Agreement and Schedules, including, but not limited to the adoption by Sponsor of the qualifying co-payment structures, PBM Formulary, and having no Participants in a 100% co-payment plan. In the event that the terms of this Agreement are not met, or in the event one or more of the following occurs, PBM will have the right, upon notice, to make an equitable adjustment to the rebate terms set forth herein, solely as necessary to return PBM to its contracted economic position as of the effective date of such event:

- (a) There is a material change in: (i) the conditions or assumptions stated in this Agreement that results in material change in Rebates; or (ii) the size, demographics or gender distribution or utilization (including claims mix and volume) of Sponsor's Participants results in a material decrease in Rebates; and/or
- (b) Sponsor changes its Formulary, benefit designs, implements OTC plans, clinical or trend programs or otherwise takes an action that has the effect of lowering the amount of Rebates earned hereunder or materially impacting any guarantee; and/or
- (c) Any Sponsor elects to use on-site clinics or pharmacies to dispense prescription drugs to Participants which materially reduces Rebates and/or the number of Covered Brand Drug claims submitted; and/or
- (d) Rebate revenue is materially decreased because Brand Drugs move off-patent to generic status or due to a change in law.

1. Rebate Amounts (Sponsor elects which formulary to utilize)

- a. Subject to: (i) the conditions set forth below and elsewhere in this Agreement; and (ii) Sponsor meeting the Plan Design conditions identified in the table below, PBM will pay to Sponsor the following Guaranteed Rebates per Brand Drug Qualified Brand Claim:

		Retail 30 (1-83 Days Supply)	Retail 90 / Mail (84+ Days Supply)	SCL Specialty (1-83 Days Supply)
(3)-tier Incentivized / (3)-tier Non-Incentivized (Premier Plus Formulary)	2021	\$135.85	\$445.93	\$1,753.70
	2022	\$153.19	\$513.00	\$2,020.65
	2023 & 2024	\$164.02	\$575.80	\$2,245.71

		Retail 30 (1-83 Days Supply)	Retail 90 / Mail (84+ Days Supply)	SCL Specialty (1-83 Days Supply)
(2)-tier (Premier Plus Formulary)	2021	\$119.70	\$439.62	\$1,634.67
	2022	\$131.49	\$499.29	\$1,876.58
	2023 & 2024	\$143.96	\$548.20	\$2,143.37

		Retail 30 (1-83 Days Supply)	Retail 90 / Mail (84+ Days Supply)	SCL Specialty (1-83 Days Supply)
(3)-tier & (2)-tier (Premier Formulary)	2021	\$100.42	\$278.30	\$1,426.38
	2022	\$109.54	\$304.05	\$1,591.77
	2023 & 2024	\$116.76	\$334.31	\$1,782.96

2. Exclusions

Guaranteed Rebates will not be paid on: (i) non-Brand Drug prescription products and over the counter products, (ii) biosimilar products, (iii) Member Submitted Claims, (iv) Medicaid subrogation and secondary claims, (v) Claims submitted through pharmacies that are Sponsor-owned, university, long-term care, hospital, staff model or located on the premises of a Sponsor and are subject to up-front or retrospective pharmaceutical manufacturer purchase discounts such that SB is not able to collect a Rebate for such Claims or claims receiving a 340b discount, (vi) claims older than 180 days, (vii) claims that are reversed and not reprocessed, (viii) claims with invalid identifiers (i.e., pharmacy identifiers) and not corrected, (ix) claims pursuant to a 100% Member Copayment plan; (x) compounds and/or bulk ingredients; (xi) vaccines; (xii) devices without a prescription drug component; (xiii) repackaged NDCs; (xiv) claims from entities eligible for federal supply schedule prices (e.g., Department of Veterans Affairs, US Public Health Service, Department of Defense; (xv) claims eligible to receive Rebates from Medicaid, Medicare or other state or federal health care programs; (xvi) duplicate claims; (xvii) unit dose NDCs for institutional use excluded by Manufacturers; (xviii) claims that were purchased under an agreement which includes a rebate component to the extent that any such agreement exists and where Client is ineligible to receive a Rebate on such drug by the Drug Manufacturer; and (xix) any claims that a Manufacturer deems Rebate ineligible and SB does not receive a Rebate upon (collectively, the "Exclusions"). These Exclusions are not eligible for the Guaranteed Rebate amounts set forth above.

3. Conditions

- a. Sponsor acknowledges that it may be eligible for Rebate amounts under this Agreement only so long as Sponsor, its affiliates, or its agents do not contract directly or indirectly with anyone else for discounts, utilization limits, rebates or other financial incentives on pharmaceutical products or formulary programs for claims processed by PBM pursuant to the Agreement. In the event that Sponsor negotiates or arranges with a pharmaceutical manufacturer for Rebates or similar discounts for any claims adjudicated or aggregated by PBM, but without limiting PBM's right to other remedies, PBM shall be entitled to retain 100% of any and all Rebates to Sponsor which have not been paid to Sponsor under this Agreement.
- b. Under its Rebate program, PBM may recommend that Sponsor implement PBM's Formulary management programs and controls, which may include, among other things, cost containment initiatives, and communications with Participants, participating pharmacies, and/or physicians. PBM reserves the right to modify or replace such programs from time to time. Guaranteed Rebate amounts, if any, set forth herein, are conditioned on adherence to various Formulary management controls, benefit design requirements, and other factors stated in the applicable pharmaceutical manufacturer agreements, as communicated by PBM to Sponsor from time to time.
- c. The Guaranteed Rebates herein are based upon (i) a retail program plan design that provides for up to a 30 day supply; (ii) a mail order program that provides

for a 90 day supply; (iii) the claims information (including claims mix and volume), plan design information, and adherence to the PBM Formulary; (iv) if applicable, Sponsor's adherence to the preferred drug step therapy programs; and (v) for the PBM National Preferred Formulary, upon Sponsors excluding certain drugs from coverage. Sponsor's failure to comply with the foregoing, may result in PBM modifying the Guaranteed Rebates herein if the failure results in a decrease within Rebates.

- d. The Guaranteed Rebates identified herein assume that billing rates will be consistent with claims volume that is billed through standard retail pharmacies. If PBM cannot bill at assumed rates due to conflicts with arrangements that the dispensing pharmacies may have with manufacturers, or contracts PBM has with manufacturers, PBM may modify the Guaranteed Rebates.
- e. Open formularies refer to plan designs under which certain products may be preferred, but do not qualify for Incentive or Closed treatment.
- f. The Guaranteed Rebates for the Incentive Formularies are based on the Formulary having no less than three (3) tiers and Copayment differential of \$15.00, or equivalent Coinsurance differential, or more between tiers.
- g. The Guaranteed Rebates for the Closed Formularies are based on a benefit design under which: (i) prior to filling any non-preferred products, the Participant is required to use a preferred product through step-therapy or a similar intervention process; (ii) require the Participant to pay 100% of the applicable cost of non-preferred products; or (iii) impose an NDC block against coverage benefits for non-preferred products. Notwithstanding the above, Participants in a Closed Formulary design may be allowed to fill non-preferred products if the use of a non-preferred product is medically necessary.

**CONTRACT ADDENDUM
FOR CONTRACTS WITH ANY DEPARTMENT OF
MADISON COUNTY GOVERNMENT**

CONTRACTOR: Soma Health
COUNTY DEPARTMENT: Payroll + Benefits
SUBJECT OF CONTRACT: Prescription Drug Program Agreement
DATE/TERM OF CONTRACT: December 20, 2021

Notwithstanding any provision contained in the above-referenced Contract or Agreement which may be to the contrary, the following provisions are incorporated and shall apply, supplant and control:

Non-appropriation clause. Contractor acknowledges that Madison County is a governmental entity, and the contract validity is based upon the availability of public funding under the authority of its statutory mandate. In the event that public funds are unavailable and not appropriated for the performance of Madison County's obligation under this contract, then this contract shall automatically expire without penalty to Madison County thirty (30) days after written notice to Contractor of the unavailability and non-appropriation of public funds. It is expressly agreed that Madison County shall not activate this non-appropriation provision for its convenience or to circumvent the requirements of this contract, but only as an emergency fiscal measure during a substantial fiscal crisis, which affects generally its governmental operations. In the event of a change in the Madison County's statutory authority, mandate and mandated functions, by state and federal legislative or regulatory action, which adversely affects Madison County's authority to continue its obligations under this contract, then this contract shall automatically terminate without penalty to Madison County upon written notice to Contractor of such limitation or change in Madison County's legal authority.

Dispute Resolution/Jurisdiction/Venue. Any dispute arising under this Agreement may be settled by mediation in the State of North Carolina in accord with such procedures as may be available to units of local government under state law. No other dispute resolution procedures shall apply. Jurisdiction for any legal proceedings concerning this contract or agreement shall be state courts in the State of North Carolina. Venue for such proceedings shall be Madison County.

No pledge of taxing authority. No deficiency judgment may be rendered against Madison County or any agency of Madison County in any action for breach of a contractual obligation under this contract. The taxing power of the Madison County is not pledged directly or indirectly to secure any monies due under this contract.

No waiver of governmental immunity; Violation of law. Except for waiver of governmental immunity resulting from the execution of a valid contract, Madison County makes no other

waiver of governmental immunity. If any provision of the Contract or Agreement is in violation of any legal, statutory or state constitutional prohibition, then such provision(s) shall be unenforceable against Madison County.

Conflict of interest. If this is a contract for design, engineering, contract administration or similar services, the Contractor will not enter into contracts or agreements with third parties that may present a potential for conflict of interest between Madison County and third parties regarding the subject matter of this Contract or Agreement.

Acceleration Clause. To the extent that any provision of the contract contains any acceleration of clause provision, said clause is deemed void and unenforceable.

Assignment of Rights. Neither party shall sign its rights under this contract without the express written agreement of the other party.

Indemnity, Hold Harmless, Assumption of Risk. To the extent that any provision of the Contract allows for any limitations on the Contractors liability, any waiver in the limits of the County's liability, and/or any hold harmless or indemnification clauses in favor of the Contractor, those provisions are only effective and enforceable in the manner and to the extent provided by NC Law.

Default and Remedies. To the extent that any provision of the Contract addresses default and remedies, then those provisions are stricken in their entirety and are replaced with the following: "County and Contractor, in the event of default, shall have as remedies only those remedies provided by law relative to units of local government in the state of NC."

Compliance with E-Verify requirements. As a condition of payment for services rendered under this agreement, Contractor shall comply with the requirements of Article 2 of Chapter 64 of the General Statutes. Further, if Contractor provides the services to the County utilizing a subcontractor, Contractor shall require the subcontractor to comply with the requirements of Article 2 of Chapter 64 of the General Statutes as well. Contractor shall verify, by affidavit, compliance of the terms of this section upon request by the County.

For the CONTRACTOR: _____

Title: _____

For MADISON COUNTY X Mark Soudron

Title: Chairman Board of Comission

This instrument has been preaudited in the manner required by the local government budget and fiscal control act.

By: Kary Leaford
Madison County Finance Officer