

IN THE MATTER OF APPROVING THE 2018 AMENDMENT TO THE SERVICE AGREEMENT WITH MEDTRAK SERVICES, LLC TO PROVIDE AND ADMINISTER PHARMACY BENEFIT PLAN FOR THE AUGLAIZE COUNTY'S HEALTH BENEFIT PLAN(S).

The Board of County Commissioners of Auglaize County, Ohio met in regular session on the 6th day of February, 2018.

Commissioner Regula moved the adoption of the following:

RESOLUTION

WHEREAS, Auglaize County, as a member of the Midwest Employees Benefit Consortium (MEBC), offers a prescription drug plan to its employees; and

WHEREAS, the Board of County Commissioners has chosen to retain Medtrak Services, LLC. to administer this prescription drug plan; and,

WHEREAS, Medtrak Services, LLC has submitted the 2018 amendment for the inclusion of the installation documents for the 01/01/2018 changes to the Service Agreement, Client Requirements Document and Plan Services Work Order/Plan Change Form to the Board for its approval and execution.

THEREFORE, BE IT RESOLVED that the Board of County Commissioners, Auglaize County, Ohio does hereby approve the 2018 amendment to the Service Agreement for Pharmacy Benefit, Client Requirements Document and Plan Services Work Order/Plan Change Form as presented by Medtrak Services, LLC and does authorize Douglas A. Spencer, President of the Board, to execute said document.

Commissioner Bergman seconded the Resolution and upon the roll being called, the vote resulted in the adoption of the Resolution as follows:

Adopted this
6th day of
February, 2018

BOARD OF COUNTY COMMISSIONERS
AUGLAIZE COUNTY, OHIO

Douglas A. Spencer, Yes
Douglas A. Spencer

Don Regula, yes
Don Regula

John N. Bergman, yes
John N. Bergman

cc: Medtrak Services, LLC
Arthur J. Gallagher & Co. – Phyllis Nielsen

FIRST AMENDMENT TO SERVICE AGREEMENT

This First Amendment to Service Agreement ("Amendment") shall be effective as of January 1, 2018 ("Amendment Effective Date") by and between AUGLAIZE COUNTY, OHIO ("Client") and MEDTRAK SERVICES, LLC ("MedTrak").

RECITALS

WHEREAS, MedTrak and Client entered into and are parties to that certain Service Agreement, dated January 1, 2015 (the "Agreement"); and

WHEREAS, MedTrak and Client agree to amend certain pricing terms set forth under the Agreement.

NOW, THEREFORE, in consideration of the covenants and agreements set forth herein, MedTrak and Client agree to amend the Agreement, upon the Amendment Effective Date, as follows:

TERMS & CONDITIONS OF AMENDMENT

1. Section 5.1 of the Agreement is hereby deleted in its entirety and replaced with the following:

The term of this Agreement shall commence on the "Start Date", which shall be the 1st day of January, 2015, and shall continue until December 31, 2020 (the "Initial Term"). This Agreement shall be deemed to be renewed thereafter for successive periods of one (1) year each (each, a "Renewal Term"), unless either party hereto shall give to the other at least ninety (90) days' written notice, prior to the expiration of the then-current term, of its intention to either terminate this Agreement or to renegotiate the provisions thereof.

2. The contents of Exhibit B (Specialty Drugs) is hereby deleted in its entirety and replace with the following:

"A list of Specialty Drugs (the "Specialty Drug List") is maintained and updated from time to time by MedTrak and made available to Client at any time upon request."

3. Exhibit C (Financial Terms) of the Agreement is hereby deleted in its entirety and replaced with the Exhibit C attached hereto as Attachment I.

4. Unless otherwise specifically defined in this Amendment, all capitalized terms herein shall have the meanings ascribed to them in the Agreement. Except as specifically amended by this Amendment, all other terms and conditions of the Agreement shall remain in full force and effect. In the event of a conflict between any term of the Agreement and any term of this Amendment, the provisions of this Amendment shall prevail.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment by their duly authorized representatives on the respective dates written below.

AUGLAIZE COUNTY, OHIO:

MEDTRAK SERVICES, LLC:

Signature: 

Signature: _____

Name: Douglas A. Spencer

Name: Mark K. Fendler

Title: President
Auglaize County Board of Commissioners

Title: President

ATTACHMENT I

Exhibit C Financial Terms

1. Retail Pharmacy Paid Claim Charge

For each Covered Medication dispensed by a retail Participating Pharmacy to an Eligible Member, Client agrees to pay MedTrak the "Retail Pharmacy Paid Claim Charge", plus any applicable sales or excise tax or other handling or governmental charge (as determined by law), less any applicable Copayment or Deductible, as described in the Plan. The Retail Pharmacy Service Charge is:

- a. For Brand Drug Products, 30-Day's Supply, the lesser of: (i) AWP – 17% plus a \$0.75 dispensing fee, or (ii) the U&C.
- b. For Generic Drug Products, 30-Day's Supply, the lesser of: (i) MAC plus a \$0.75 dispensing fee, (ii) AWP – 17% plus a \$0.75 dispensing fee; or (iii) the U&C.
- c. For Brand Drug Products, 90-Day's Supply, the lesser of: (i) AWP – 20% plus a \$0.00 dispensing fee, or (ii) the U&C.
- d. For Generic Drug Products, 90-Day's Supply, the lesser of: (i) MAC plus a \$0.00 dispensing fee, (ii) AWP – 20% plus a \$0.00 dispensing fee, or (iii) the U&C.
- e. For Compound Drugs, the U&C, not to exceed one-hundred and fifty percent (150%) of the AWP of the submitted Drug Product.

For purposes of the foregoing provisions in this Exhibit C, any reference to "Retail 30" or "30-Days' Supply" or "30-day supplies" shall mean any Covered Medication dispensed in a 1- to 83-day supply; and, provided further, any reference to "Retail 90" or "90-Days' Supply" or "90-day supplies" shall mean any Covered Medication dispensed in a days' supply of 84 or more.

2. Mail Pharmacy Paid Claim Charge

The mail Participating Pharmacy designated by MedTrak and approved by Client is the exclusive provider of mail Pharmacy Services. For each Covered Medication dispensed by the mail Participating Pharmacy to an Eligible Member, Client agrees to pay MedTrak the mail pharmacy Paid Claim Charge, plus any applicable sales or excise tax or other handling or governmental charge (as determined by law), less any applicable Copayment or Deductible, as described in the Plan. The Mail Pharmacy Service Charge is:

- a. For Brand Drug Products, the greater of: (i) \$10.00; or (ii) AWP – 24% plus a \$0.00 dispensing fee.
- b. For Generic Drug Products, the greater of: (i) \$10.00; or (ii) AWP – 80% plus a \$0.00 dispensing fee.
- c. For Compound Drugs, the U&C, not to exceed one hundred fifty percent (150%) of the AWP of the dispensed medication (including AWP's of all submitted Drug Products).

3. Best-In-Class Specialty Pharmacy Paid Claim Charge

The "Best-In-Class Specialty" Participating Pharmacies designated by MedTrak and approved by Client are the exclusive providers of specialty Pharmacy Services. If and when Client elects to participate in MedTrak's Best-In-Class Specialty Pharmacy program, for each Covered Medication that is a Specialty Drug, and dispensed by a Best-In-Class Specialty Participating Pharmacy, Client agrees to pay MedTrak the "Best-In-Class Specialty Pharmacy Paid Claim Charge", expressed as an AWP discount, plus any applicable sales or excise tax or other handling or governmental charge (as determined by law), less any applicable Copayment or Deductible, as described in the Plan. The Best-In-Class Specialty Pharmacy Service Charge as maintained by MedTrak with the Specialty Drug List, which may be updated from time to time in MedTrak's discretion and provided to Client upon request. The Best-In-Class Specialty Pharmacy Service Charge includes the cost of certain "Ancillary Supplies", including syringes, needles, and alcohol swabs. The Best-In-Class Specialty Pharmacy Service Charge does not include the cost of home infusion supplies, devices and in-home nursing services. MedTrak reserves the right to modify the Specialty Drug List from time to time.

4. Non-Best-In-Class Specialty Pharmacy Paid Claim Charge

In the event that a Specialty Drug, Limited Distribution Drug, or Orphan Drug is dispensed from a pharmacy other than the Best-In-Class Specialty Participating Pharmacy listed on the Specialty Drug List, Client agrees to pay MedTrak the "Non-Best-In-Class Specialty Pharmacy Paid Claim Charge", plus any applicable sales or excise tax or other handling or

governmental charges (as determined by law), less any applicable Copayment and/or Deductible, as described in the Plan. The Non-Best-In-Class Specialty Pharmacy Service Charge is:

- a. For Brand Drug Products, AWP – 11% plus a \$0.75 dispensing fee.
- b. For Generic Drug Products, AWP – 11% plus a \$0.75 dispensing fee.

The Non-Best-In-Class Specialty Pharmacy Service Charge includes the cost of certain “Ancillary Supplies”, including syringes, needles, and alcohol swabs. The Non-Best-In-Class Specialty Pharmacy Service Charge does not include the cost of home infusion supplies, devices and in-home nursing services.

The Non-Best-In-Class Specialty Pharmacy Paid Claim Charge does not apply to Limited Distribution Drugs. MedTrak will submit all Claims for Limited Distribution Drugs by Non-Best-In-Class Specialty Pharmacies to Client for authorization.

5. Miscellaneous Charges

Client shall pay the Miscellaneous Charges to MedTrak listed below:

- a. Administration Fee: \$0.00 per paid Claim.
- b. Direct member reimbursement Claims: \$2.50 per such Claim.
- c. Prior Authorizations:
 - i. Simple Review (prescriber outreach & BIC member advocacy referral): \$5.00 per review.
 - ii. Complex Criteria Review (pharmacist review of coverage criteria involving physician): \$25.00 per review.
 - iii. Pharmacist Clinical Review (review of experimental/investigational Drug Product): \$25.00 per review.
- d. External Appeal of Coverage Denial – Pursuant to the MedTrak Appeals Process, MedTrak may request an external appeal review from an accredited independent review organization (“IRO”) in the event of a coverage denial. MedTrak will pass through all costs of the IRO to Client as a billed charge pursuant to the payment terms of this Agreement, as well as a \$100.00 fee paid to MedTrak for the administration of such review.
- e. For each Vaccine Claim covered by Client and processed through a Participating Pharmacy contracted with MedTrak to administer Vaccines, Client agrees to pay an additional Vaccine Administration Charge of up to, but not more than, \$25.00 per Claim.

6. Program Charges

If Client elects to implement any of the below listed MedTrak Programs, Client shall pay the corresponding Program Charges to MedTrak listed below:

- a. RightCHOICE Program: \$0.05 PMPM.
- b. Medical Channel Management Program: \$0.10 PMPM.
- c. All MedTrak Step Therapy Programs: \$0.20 PMPM.
- d. BIC Align Program: \$0.20 PMPM.
- e. Rx-OTC Program: \$0.05 PMPM.
- f. CareTrakRx-Pain Management Program: \$0.10 PMPM.

7. Formulary Program Discounts

Under certain conditions, MedTrak will pay Formulary Program discounts, in the form of Rebates, to Client subject to Client’s participation in the Formulary Program and overall compliance with Section 2.3 to this Agreement. Client agrees that Rebate payments are based upon Plan design over which MedTrak has no discretionary control or authority, and such Rebate payments are subject to change due to various factors, as described in this Agreement. Rebate payments are made within thirty days after six months from the end of the quarter in which Paid Claims were incurred. Rebates will be paid to Client as follows:

For plans on the Select Formulary:

- a. For each eligible Brand Drug Product, as described in Section 2.3, that is a Covered Medication dispensed through a retail pharmacy, MedTrak shall pay Client \$90.00.
- b. For each eligible Brand Drug Product, as described in Section 2.3, that is a Covered Medication dispensed through a mail pharmacy, MedTrak shall pay Client \$270.00.
- c. For each eligible Brand Drug Product, as described in Section 2.3, that is a Specialty Drug Covered Medication dispensed through a contracted pharmacy, MedTrak shall pay Client \$510.00.