

Patient Assurance Program (PAP) Terms & Conditions

Key Components of the Patient Assurance Program

The Patient Assurance Program is a program meant to cap member responsibility for participating drugs at the following levels:

- \$25 for a prescription claim for a 0-34 days' supply
- \$50 for a prescription claim for a 35-68 days' supply
- \$75 for a prescription claim for a 69 or longer days' supply

Through this program, Express Scripts provides additional cost predictability for patients. In conjunction with Express Scripts' existing solutions, Express Scripts can provide members and plan sponsors improved outcomes and greater overall drug spend management.

Plan Sponsor Requirements

• Plan sponsor must agree to set its cost-sharing (copayments or coinsurance) for participating products to no greater than:

- \$75 for a prescription claim for a 0-34 days' supply
- \$150 for a prescription claim for a 35-68 days' supply
- \$225 for a prescription claim for a 69 or longer days' supply

• Plan sponsors with a benefit design that sets a Member's out of pocket responsibility for participating products to less than \$25 for a 0-34-day prescription, \$50 for a 35-68-day prescription, or a \$75 for a 69-day or greater prescription, are not eligible for the program.

• Plan Sponsors may only participate in the Patient Assurance Program if either: (i) the plan's cost-sharing amounts for participating products are within range (between \$25-\$75 for a 0-34 days' supply, \$50-\$150 for a 35-68 days' supply, \$75-\$225 for a 69 or longer days' supply) as of the date of this communication (the "Reference Date") or (ii) the plan sponsor lowers its cost-sharing amounts for participating products to be within range on or after the Reference Date but prior to implementing the Patient Assurance Program. Plan sponsors may not participate if they raise cost-sharing amounts for participating products after the Reference Date.

• Plan Sponsor must elect and notify Express Scripts of how it will apply the amount of pharmaceutical manufacturer value applied at point of sale in coordination with the Patient Assurance Program (the "PAP Value") to its members' accumulators such as out of pocket maximums and deductibles. As additional participating products may be added to the Patient Assurance Program, Plan Sponsor's election of how to apply PAP Value towards accumulators will apply to future participating products unless expressly directed otherwise by Plan Sponsor.

• Plan Sponsor must elect and notify Express Scripts of how it will apply the \$25/\$50/\$75 member out-of-pocket towards the member's deductible. This election will apply to participating products added to the Patient Assurance Program in the future unless expressly directed otherwise by Sponsor. Plan sponsor must provide first dollar coverage for participating drugs within the program.

• Plan Sponsor agrees to accept automatic updates to the program. Plan Sponsor must notify Express Scripts if it does not wish to accept a future update to the Patient Assurance Program. Express Scripts will notify clients of these updates (i.e. addition or removal of certain drugs) to the program.

- Plan Sponsor agrees that the program is only applicable for preferred formulary drugs that are also eligible participating products for the Patient Assurance Program.
- Plan sponsor agrees that any PAP Value will be included in the calculation of total amounts for rebates provided to plan sponsor under the terms of its PBM Agreement. For plan sponsors with existing point-of sale rebate arrangements under their PBM Agreements, the plan sponsor agrees that the PAP Value will be treated as a point-of-sale rebate under the PBM Agreement.
- Plan sponsors for plans that are 'High Deductible Health Plans' as defined by the Internal Revenue Service must also agree to include the Patient Assurance Program eligible participating products on its preventative drug list to participate. If Plan Sponsor does not wish to include participating products added to the Patient Assurance Program in the future on its preventative drug list, Sponsor must notify Express Scripts.

General Terms of the Program

- As part of the Patient Assurance Program, Express Scripts agrees to pass 100% of the value PAP Value back to eligible members at the point of sale.
- Express Scripts is offering this program without additional charge. As part of the Patient Assurance Program, for eligible participating products, the participating pharmaceutical manufacturers have agreed to provide the PAP Value in an amount to reduce eligible member's out of pocket cost for eligible participating products to \$25 for a 0-34 day prescription, \$50 for a 35-68 day prescription, and \$75 for a 69 day or longer prescription.
- Express Scripts may communicate with Sponsor's members regarding the Patient Assurance Program.
- Express Scripts reserves the right to terminate or modify the program at any time. Express Scripts will provide clients with notification of changes before they take effect.
- Government funded programs such as Medicare, EGWP, RDS, Medicaid, and TRICARE are not eligible for the program.
- Plan sponsor is responsible for determining if it can participate in the Patient Assurance Program in accordance with applicable law.
- Express Scripts has structured the terms of this program to be consistent with certain exceptions and safe harbors to the Federal Anti-Kickback Statute (42 U.S.C. §1320a-7b(b)), including the discount exception (42 U.S.C. § 1320a-7b(b)(3)(A) and safe harbor (42 C.F.R. § 1001.952(h)). Express Scripts will treat any reimbursement made to plan sponsor hereunder as discounts on the price of the product paid by plan sponsor. Express Scripts will fully and accurately report such discounts on the payment advice submitted to plan sponsor. Express Scripts hereby informs plan sponsor that it may be required by law to properly disclose and appropriately reflect (in any costs claimed or charges made) all such discounts. Further, Express Scripts will refrain from taking any action that would impede or frustrate plan sponsor in any such disclosure requirements. Plan sponsor may be required to provide information on the discount furnished to plan sponsor to the Secretary of Health and Human Services, or any state or other governmental agency, upon request. Express Scripts will comply with all applicable reporting and disclosure obligations