

**FIFTH MODIFICATION TO
PHARMACY BENEFITS PURCHASING POOL MANAGEMENT
AND PHARMACY BENEFITS PLAN ADMINISTRATION
SERVICES CONTRACT**

THIS MODIFICATION AGREEMENT is made this 27th day of August, 2009 by and between Catalyst Rx, Inc. and the State of Maryland, acting through the Department of Budget and Management.

IN CONSIDERATION of the promises and the covenants herein contained, the parties agree as follows:

1. Definitions

In this Modification, the following words have the meaning indicated:

1.1 "Contract" means the Contract for Pharmacy Benefits Purchasing Pool Management and Pharmacy Benefits Plan Administration Services, dated April 7, 2007, between the Contractor and the State of Maryland acting through the Department of Budget and Management.

1.2 "Contractor" means Catalyst Rx, Inc., a Nevada corporation with a principal business address of 800 King Farm Boulevard, Rockville, MD 20850.

1.3 "Financial Proposal" means the Contractor's Best and Final Offer Financial Proposal dated February 2, 2006.

1.4 "Marketing and Communication Plan" means the Contractor's proposal, dated August 18, 2009, for communication and marketing of certain changes in the plan design provided herein and other changes directed by the Procurement Officer pursuant to the Contract, §2. A copy of this document is attached to and incorporated herein.

1.5 "Modification" means the Modification Agreement.

1.6 "RFP" means the Request for Proposals for Pharmacy Benefits Purchasing Pool Management and Pharmacy Benefits Plan Administration Services, No. F10R6200071, dated October 4, 2005, incorporated into the Contract at Article 2.

1.7 "Specialty Drug Management Program Proposal" means the Specialty Drug Management Program summary titled "Specialty_Durg_List_Clinical_Edits_State of MD2_updated 072309" which describes the drugs included in the program and the clinical edits, including prior authorization, quantity limits, and step therapy applicable to each specialty drug. A copy of this document is attached to and incorporated herein.

2. Scope of Modification

2.1 This Modification amends the Contract specifically as described herein. Except as specifically revised by the terms of this Modification, all of the terms of the Contract shall remain in full force and effect and shall apply to this Modification.

2.2 The plan design and certain pricing aspects of the State's self-funded employee and retiree prescription benefits plan are being modified and the Contractor shall administer the plan, provide administrative services in connection with the plan, and process prescription benefits claims in accordance with these plan and pricing changes. These changes include the implementation of a 90-day at retail pricing program, the implementation of an additional step therapy program, and the implementation of the Contractor's Specialty Management Program for the top six specialty categories. These changes and the Contractor's obligations are also described in the Marketing and Communication Plan and the Specialty Drug Management Program Proposal, which are incorporated herein to supplement sections 3 through 5. In the event of any discrepancy or conflict among the Specialty Drug Management Program Proposal, the Marketing and Communication Plan, and this Modification, this Modification shall control.

2.3 The administrative fees paid by the State to the Contractor, pursuant to Section 4 of the Contract and as provided in the Contractor's Financial Proposal, shall not increase as a result of this Modification.

3. 90 Day Mail at Retail and Improved Pharmacy Discounts

3.1 Effective September 1, 2009, the Contractor shall implement the 90 day mail at retail program described herein and provide the State with improved pharmacy discounts and dispensing fees for the remainder of the FY2010 plan year and the FY2011 plan year.

3.2 (a) Mail and Specialty Pharmacy Claims. In accordance with Instruction B.9 of Attachment K-1 to the RFP, for those claims that are processed at mail and specialty pharmacies, the ingredient cost component of claims is guaranteed to be discounted on AWP pricing; the parties acknowledge that the Contractor is not required to pass through the actual acquisition drug ingredient pricing for claims processed at mail and specialty pharmacies.

(b) Effective September 1, 2009, the following improved discounts shall replace the corresponding terms of the Financial Proposal:

1. Attachment K-2A1 of the Financial Proposal is revised for the lines below as follows:

Enrollment Tier: Less than 150,000 Members Among All Participating Pool Participants

INGREDIENT COSTS (Percent off AWP)			2010 Fiscal Year	2011 Fiscal Year
10.	Mail			
10.a.		Brand	[REDACTED]	[REDACTED]
10.b.		Generic	[REDACTED]	[REDACTED]
11.	Specialty			
11.a.		Brand	[REDACTED]	[REDACTED]
11.b.		Generic	[REDACTED]	[REDACTED]

2. Attachment K-2A2 of the Financial Proposal is revised for the lines below as follows:

Enrollment Tier: 150,000 to 299,999 Members Among All Participating Pool Participants

INGREDIENT COSTS (Percent off AWP)			2010 Fiscal Year	2011 Fiscal Year
10.	Mail			
10.a.		Brand	[REDACTED]	[REDACTED]
10.b.		Generic	[REDACTED]	[REDACTED]
11.	Specialty			
11.a.		Brand	[REDACTED]	[REDACTED]
11.b.		Generic	[REDACTED]	[REDACTED]

3. Attachment K-2A3 of the Financial Proposal is revised for the lines below as follows:

Enrollment Tier: 300,000 to 499,999 Members Among All Participating Pool Participants

INGREDIENT COSTS (Percent off AWP)			2010 Fiscal Year	2011 Fiscal Year
10.	Mail			
10.a.		Brand	[REDACTED]	[REDACTED]
10.b.		Generic	[REDACTED]	[REDACTED]
11.	Specialty			
11.a.		Brand	[REDACTED]	[REDACTED]
11.b.		Generic	[REDACTED]	[REDACTED]

4. Attachment K-2A4 of the Financial Proposal is revised for the lines below as follows:

Enrollment Tier: More than 500,000 Members Among All Participating Pool Participants

INGREDIENT COSTS (Percent off AWP)			2010 Fiscal Year	2011 Fiscal Year
10.	Mail			
10.a.		Brand	[REDACTED]	[REDACTED]
10.b.		Generic	[REDACTED]	[REDACTED]
11.	Specialty			
11.a.		Brand	[REDACTED]	[REDACTED]
11.b.		Generic	[REDACTED]	[REDACTED]

3.3 (a) Mail Rates at Retail Pharmacy Program. The parties acknowledge that due to the current plan design for the State of Maryland employees, not all pharmacies will participate in the "90-Day Mail at Retail" rates for claims greater than or equal to 81 days filled at retail; however, the Contractor guarantees the rates and dispensing fees for all claims greater than or equal to 81 day supply at the drug ingredient cost discounts described in 3.3(b) herein, regardless if the pharmacy

participates in the "90-Day Mail at Retail" program. The parties acknowledge that the Contractor is not required to pass through the actual acquisition drug ingredient pricing for claims processed under the "90-Day Mail at Retail" program.

(b) Effective September 1, 2009, the Contractor guarantees the following aggregate drug ingredient cost pricing discounts for claims greater than or equal to an 81 days (≥ 81 day) supply processed at a retail pharmacy, for enrollment tiers of less than 150,000 Members among all Purchasing Pool Participants, for the remainder of the FY2010 plan year and the FY2011 plan year:

Brand: [REDACTED]
Generic: [REDACTED]

These aggregate drug ingredient cost discounts and dispensing fees are in addition to the pricing parameters and guarantees provided in section 3.2 above.

(c) Effective September 1, 2009, for enrollment tiers of 150,000 or more Members among all Purchasing Pool Participants, the Contractor guarantees the following aggregate drug ingredient cost pricing discounts for claims greater than or equal to an 81 days (≥ 81 day) supply processed at a retail pharmacy for fiscal years 2010 and 2011:

Brand: [REDACTED]
Generic: [REDACTED]

These aggregate drug ingredient cost discounts and dispensing fees are in addition to the pricing parameters and guarantees provided in section 3.2 above.

3.4 The Contract shall identify, on a quarterly basis, the participation of retail pharmacies in the 90 day at retail improved pricing program. Retail pharmacies that elect participation or that elect not to participate shall be identified, as well as the period of such participation.

4. Leukotriene Modifier Step Therapy

4.1 Effective September 1, 2009, the Contractor shall implement a step therapy protocol for leukotriene medications, such as Singulair. Upon release to the market, leukotriene medications other than Singulair shall also be subject to step therapy. The Contractor shall check the member's claims history to verify if the conditions for a fill of a leukotriene medication have been met. Members and their dependents must have used (a) a first line allergy medication (such as a non-sedating antihistamine and a nasal steroid) or (b) a first line asthma medication before receiving approval for a leukotriene medication such as Singulair.

4.2 A member may seek prior authorization to have a leukotriene prescription filled in the absence of prior use of a first line allergy or asthma medication.

4.3 The Contractor shall provide notice, in accordance with the Marketing and Communication Plan, to covered individuals with existing leukotriene prescriptions that do not have a record of prior first line allergy or asthma medication as required by the step therapy protocol. In addition, all notices or communications that identify the medications and therapeutic classes subject to step therapy

protocols in the State's plan shall be updated to include leukotriene and Singulair as medications subject to step therapy.

5. Specialty Management for Top Six Specialty Categories

5.1 Effective September 1, 2009, the Contractor shall implement the Specialty Drug Management Program as described in the Specialty Drug Management Program Proposal. The Specialty Drug Management Program includes, without limitation, step therapy, prior authorization and quantity or dosage limit protocols.

5.2 Medications subject to the Specialty Drug Management Program shall be limited to a maximum 30-day quantity limit per fill. No covered individual who is taking a medication that is subject to the Specialty Drug Management Program and who has an open prescription for such medication shall be subject to the maximum 30-day quantity limit for any fill of a prescription for such medication until the Contractor has provided the initial notice to members described in Section 5.4 herein.

5.3 Those covered individuals who are taking a medication that is subject to the Specialty Drug Management Program and who have an open prescription for such medication as of August 31, 2009 shall be grandfathered as to the prior authorization protocols for that medication.

5.4 (a) The Contractor shall provide notice to covered individuals with existing prescriptions for medications in the Specialty Drug Management Program of the new clinical management criteria. Such notices and targeted communications shall be as provided in the Marketing and Communication Plan.

(b) In addition, all notices or communications that identify the medications and therapeutic classes subject to clinical management, such as quantity limits, prior authorization, or step therapy, in the State's plan shall be updated to include the Specialty Drug Management Program by identifying the affected medications.

IN WITNESS THEREOF, the parties have executed this Modification:

CONTRACTOR
CATALYST RX, INC.

STATE OF MARYLAND
DEPARTMENT OF BUDGET AND
MANAGEMENT

By: _____

By: T. Eloise Foster, Secretary

Date

Date

Witness

Witness

Approved for form and legal sufficiency this 31 day August, 2009.

[Redacted signature]

Assistant Attorney General



Communication Plan for 09/01/09 Plan Changes

Communication Pieces	Frequency
<p>1) Zero Copay Programs</p> <ul style="list-style-type: none"> a) Combined member communication letter for members taking brand HMGs (Cholesterol) and ARBs (High Blood Pressure) b) Member communication letter for members taking brand PPIs (Ulcer) c) Member communication letter for members taking brand Asthma medications d) Member communication letter for member taking brand Anti-depressants 	Quarterly
<p>2) \$4 Generic Programs</p> <p>See second tab for full details of marketing plan</p>	
<p>2) Leukotriene Modifier Step Therapy Program letter to all current utilizers who do not meet the step therapy criteria</p>	N/A
<p>3) Specialty Management letters for Top 6 Categories</p> <ul style="list-style-type: none"> a) Member Outreach <ul style="list-style-type: none"> i) Initial targeted mailing to current utilizers who are exceeding the specialty plan limitations ii) Ongoing targeted mailings to new utilizers b) Physicians Outreach <ul style="list-style-type: none"> i) Initial targeted mailing to physician s whose patients are currently exceeding the specialty plan limitations ii) Ongoing targeted mailings to physicians of new utilizers iii) Telephonic follow up by Walgreens Specialty 	<p>Monthly</p> <p>Monthly</p> <p>Monthly</p>



Generic Advantage Plus (GAP+) Marketing Plan for the State of Maryland

Phase 1: Channel and Description:

- 1) Web site content (link to be added to the current www.catalystrx.com/statemd Web site) and will include "Catalyst Price & SaveSM" tutorial
- 2) Web site content (link to be added to the Department of Budget and Management Web site)
- 5) Add GAP + educational buckslip into welcome packets for new enrollees
- 6) Postcards for benefit fairs (semi-annual)
- 7) Break room poster ("Catalyst Price & SaveSM")
- 8) Physician education GAP+ introductory letter to top-prescribing physicians
- 9) Pharmacy fax blasts

Phase 2: Channel and Description:

- 1) Targeted direct mail campaign with the "Catalyst Price & SaveSM" buckslip
- 2) "Catalyst Price & SaveSM" buckslip delivered for payroll distribution
- 3) GAP+ buckslip delivered for payroll distribution

Phase 3: Channel and Description:

Alternate education initiatives to reinforce message throughout benefit year.