

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

**THIS FIRST MODIFICATION AGREEMENT** is made effective this <sup>13<sup>th</sup></sup> day of ~~January~~ <sup>February</sup>, 2018, by and between CaremarkPCS Health, L.L.C. (the "Contractor") and the STATE OF MARYLAND, acting through the Department of Budget and Management. Except as specifically revised by the terms of this Modification, all of the terms of the **PHARMACY BENEFITS PLAN MANAGEMENT SERVICES AND PURCHASING POOL MANAGEMENT CONTRACT #F10B6400005** (the "Contract") shall remain in full force and effect.

WHEREAS, on April 26, 2017, the Department entered into a contract with Contractor to provide pharmacy benefit management and purchasing pool services (the "Services") pursuant to Request for Proposals for No. F 10B6400005R issued on March 1, 2016, and all the amendments thereto issued in writing by the State (the "RFP"), and

WHEREAS, the Department and Contractor desire to modify limited provisions of the above-referenced Contract to provide for processing of payment and end of Contract run out,

**NOW, THEREFORE, IN CONSIDERATION** of the above recitals and the promises and the covenants contained herein, the adequacy and sufficiency of which is duly acknowledged by the parties, and whereas capitalized terms below have the meaning provided in the Contract, the parties agree as follows:

The following provision of the Contract is supplemented *by the language highlighted in bold* to allow for processing of payment:

**4. Consideration and Payment**

4.2 Unless a payment is unauthorized, deferred, delayed, or setoff under COMAR 21.02.07, payments to the Contractor pursuant to this Contract shall be made no later than 30 days after the State's receipt of a proper invoice from the Contractor. The Contractor may be eligible to receive late payment interest at the rate of 9% per annum if: (1) The Contractor submits an invoice for the late payment interest within thirty days after the date of the State's payment of the amount on which the interest accrued; and (2) A Contract claim has not been filed under State Finance and Procurement Article, Title 15, Subtitle 2, Annotated Code of Maryland. The State is not liable for interest: (1) accruing more than one year after the 31st day after the agency receives the proper invoice; or (2) on any amount representing unpaid interest. Charges for late payment of invoices are authorized only as prescribed by Title 15, Subtitle 1, of the State Finance and Procurement Article, Annotated Code of Maryland, or by the Public Service Commission of Maryland with respect to regulated public utilities, as applicable. Each invoice for services rendered must include the Contractor's Federal Tax Identification or Social Security Number for a Contractor who is an individual which is [REDACTED]. **Payment for services provided under Functional Area 1 shall be processed to [REDACTED] and payment for services provided under Functional Area 2 shall be processed to [REDACTED].** Charges for late payment of invoices other than as prescribed at Md. Code Ann., State Finance and Procurement Article, §15-104 are prohibited. Invoices shall be submitted to the Contract Manager. Electronic funds transfer shall be used by the State to pay Contractor pursuant to this Contract and any other State payments due Contractor unless the State Comptroller's Office grants Contractor an exemption.

The following provision of the RFP is supplemented *by the language highlighted in bold* to allow for the contract run out period:

**1.4 Contract Duration**

1.4.4 The duration of the Commercial and Purchasing Pool Contract in Functional Area 1 of this RFP, will be for the period of time from Contract Commencement to the Go-Live Date (the Start-Up Period as described in Section 1.4.2) plus three (3) contract years from the Go-Live Date for the provision of all services required by the Contract and the requirements of this solicitation. There will be two (2) additional, successive two-year option periods each to be exercised at the sole discretion of the Department and at the prices quoted in the Financial Proposal Form for "Option Years."

**It is anticipated that the first plan year covered by the Contract will begin January 1, 2018, and that run-out, audits, and reconciliation processes will conclude within 18 months of the last day of the last plan year covered by the Contract. Payments of "Administrative fee PMPM" amounts will end as of the last day of the last plan year. Following the end of this Contract, the Contractor shall be responsible for handling claims payments for claims incurred prior to the end of the Contract; the Contractor's obligations as the claims processor with respect to covered services during a period of coverage shall survive the expiration of the Contract. The Contractor shall provide run-out claims processing services at the same level of service and price as pre-termination services for no less than 18 months after the termination of the Contract. The Contractor agrees to transfer enrollment data, claims information, and other administrative records to any succeeding PBM or contractor at no charge.**

The EGWP program included in Functional Area 2 of the RFP will be for the period of time from Contract Commencement to the Go-Live Date plus two (2) Contract years.

IN WITNESS THEREOF, the parties have executed this First Modification:

CONTRACTOR

STATE OF MARYLAND  
DEPARTMENT OF BUDGET AND  
MANAGEMENT

[Redacted Signature]

[Redacted Signature]

By: Marc Nicole, Deputy Secretary

LEGAL  
REVIEW

Date 2/2/18

Date 2/13/18

[Redacted Witness Signature]

[Redacted Witness Signature]

Witness

Witness

Approved for form and legal sufficiency this 2<sup>th</sup> day of February 2018.

[Redacted Signature]

Assistant Attorney General