AGENDA ITEM or FINAL CONTRACT REVIEW SUBMITTAL FORM

Agenda Item: Exhibit E, Appeals Program Addendum; CaremarkPCS H

Action Requested: County Manager Signature

Parties to the Agreement: CoreSource, Inc., CaremarkPCS Health, L.L.C. and Gunnison County

Term Begins: 01/01/2016 **Term Ends:** **Grant Contract #:**

Summary:

The Appeals Addendum allows Caremark to respond to appeals regarding the pharmacy plan on Gunnison County's behalf.

Fiscal Impact: Dependent on usage - see comments from Finance below

Submitted by: Cheryl Seling **Submitter's Email Address:** cseling@gunnisoncounty.org

Finance Review: (●) Required ( ) Not Required

Comments:
Prescription Benefit $100/appeal
Independent Physicain Specialist $500/appeal
IRO External Review $500/appeal
Per Cheryl, provider is changing, not fee structure. ln

Reviewed by: GUNCOUNTY1\lNienhueser Discharge Date: 6/30/2016

County Attorney Review: (●) Required ( ) Not Required

Comments:
ok db 6/29/16

Reveiwed by: GUNCOUNTY1\dBaumgarten Discharge Date: 6/29/2016 Certificate of Insurance Required Yes ( ) No (●)

County Manager Review:

Comments:

Reveiwed by: GUNCOUNTY1\mbirnie Discharge Date: 7/1/2016

(●) Consent Agenda ( ) Regular Agenda ( ) Worksession Time Allotted: 0

Agenda Date: 7/5/2016

Revised April 2015

Exhibit E
Appeals Program Addendum

This Addendum to Agreement (the "Addendum") is dated January 1, 2016, among CORESOURCE, INC. ("Administrator"), Gunnison County ("Client") and CaremarkPCS Health, L.L.C., a Delaware limited liability company ("PBM"). Terms not otherwise defined in this Addendum shall have the meaning given to them in the Agreement (as hereinafter defined).

Whereas, Administrator and PBM have entered into that certain Amended and Restated AdvancePCS Health, L.P., Managed Pharmacy Benefit Services Agreement for Administrator, as amended (the "Agreement"), under which PBM is providing prescription benefit management services to Administrator and its Clients; and

Whereas, PBM, Administrator and Client desire to have PBM provide PBM's Appeals Program to Client as part of the Services provided pursuant to the Agreement; and

Whereas, the Appeal Program will be implemented for Client on the date agreed to by PBM and Client as documented in Client's implementation documents; and

Now, therefore, Administrator, Client and PBM agree as follows:

1. Client represents that its Plan **(please check appropriate response):**

   _____ **is** governed by ERISA.

   ___X___ **is not** governed by ERISA.

2. If the Plan **is not** governed by ERISA, the provisions of this Section 2 shall apply.

   (a) Client represents and warrants to PBM that the Appeals Program, as defined in Section 4 below, satisfies any and all laws applicable to the Plan with respect to appeals from denials of claims for prescription drug benefits. Client or Administrator shall promptly notify PBM in writing in the event a change in law causes the Appeals Program to be in non-compliance with applicable laws. Upon such notice, PBM shall have the option of revising its Appeals Program to be in compliance with such change in law or terminating the Appeals Program.

   (b) PBM may from time to time modify the Appeals Program. In the event of any such modification, PBM shall provide Administrator or Client with written notice of such modification at least thirty (30) days prior to implementation of such modification. If Client determines that any such modification would cause the Appeals Program to be in non-compliance with applicable laws, Client shall so notify PBM prior to the end of the thirty-day period. PBM shall then have the option of further modifying its Appeals Program to be in compliance with applicable laws or terminating the Appeals Program. If Client does not so notify PBM, then PBM shall implement the modification and shall continue to rely on the representation and warranty set forth in paragraph (a) above.

3. Administrator and Client represent that PBM will be provided with a current and accurate copy of the Plan Document, as defined herein. The "Plan Document" shall be the written document (as required by ERISA, if the Plan is governed by ERISA), which sets forth the Plan Design and all other information concerning the Client's prescription drug benefit plan including, but not limited to, eligibility for such benefits, the benefits to be provided, limitations on such benefits and the Plan's

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claims and review procedures. Client, at its expense, will provide PBM with sufficient advance notice of any proposed amendments to the Plan Document.

4. PBM will provide Client with the appeals program described in Sections 4.a. and 4.b. below ("Appeals Program").

   a. Review of Benefit Coverage. PBM shall conduct appeals relating to eligibility and coverage of prescription drug benefit determinations. Such reviews will be based on the Plan Document provisions and criteria approved by the Plan, with respect to coverage of prescription drug benefits only, and shall not include a review of medical necessity as may be defined under the terms of the Plan Document. With respect to such review of benefit coverage, PBM shall have the sole and absolute discretion to interpret the Plan Document and to make factual findings. The decision of PBM shall be final, subject to External Review under Section 5 of this Addendum, if applicable to Client, or available judicial review. PBM may, in its sole discretion, consider the opinions of additional medical and/or legal experts with respect to interpretation of the Plan Document. Under the Appeals Program, PBM agrees to be a fiduciary solely for the purpose of adjudicating appeals relating to the coverage of prescription drug benefits. PBM will review appeals in accordance with the rules and procedures established by PBM to govern appeals from the denials of claims, as may be amended from time to time.

   b. Review of Medical Necessity. PBM has contracted with an independent vendor or vendors for the processing of appeals resulting from a denial of authorization of prescription benefits where the Plan beneficiary is entitled to obtain a review of the denial by an independent physician specialist. PBM has entered or will enter into an agreement with the independent vendor(s), which provides for an appeals process consistent with the Appeals Program. The decision of the independent vendor shall be final, subject to External Review under Section 5 of this Addendum, if applicable to Client, or available judicial review only for abuse of discretion.

5. External Review. This Section 5 shall apply only if Client has elected to receive "Independent (External) Appeals Review" in the PDD. PBM has contracted with independent review organizations ("IROs") to provide External Review of benefit determination that are subject to external Review under PPACA. The decision of the independent review organization shall be final and binding on the Plan and Plan Participant, subject only to any judicial review. Either party may terminate at any time the External Review services provided under this Exhibit by providing the other parties with sixty (60) days prior written notice.

6. As consideration for participation in the Appeals Program provided hereunder, Client, via Administrator, shall pay PBM the fees set forth below (the "Appeals Fees"). PBM will invoice the Appeals Fees in the same manner as set forth in the Agreement, and payment shall be due in accordance with the terms of the Agreement.

Prescription Benefit Coverage and Eligibility Determinations:	$100.00 per appeal
Independent Physician Specialist Reviews conducted by outside vendor:	$500.00 per appeal
IRO External Review:	$500.00 per review

7. Client agrees that if payment of any amount owing to PBM hereunder is not made, via Administrator, on or prior to the due date, finance charges shall be imposed on such overdue amount in accordance with the Agreement. In addition, PBM shall have all rights and remedies for non-payment specified in the Agreement.

8. Client agrees to indemnify and hold harmless PBM for, from and against any and all costs, losses or damages PBM may incur as a result of (i) Administrator or Client's breach of this Addendum, or (ii)

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any claim by a plan participant as a result of PBM's denial of an appeal, provided that PBM followed the procedures set forth in this Addendum.

9. If any provision of this Addendum is held to be void or unenforceable, the remaining provisions are considered to be severable and their enforceability is not affected or impaired in any way by reason of such law or holding. The terms and conditions of the Agreement as amended remain in effect except as otherwise stated herein. All capitalized terms used in this Addendum and not otherwise defined shall have the meanings set forth in the Agreement. In the event that any provision of this Addendum conflicts with any of the provisions set forth in the Agreement, the provisions of this Addendum shall govern and control. This Agreement as amended constitutes the entire agreement between the parties with respect to the subject matter hereof; superseding all prior understandings, agreements, contracts or arrangements between the parties, whether oral or written.

IN WITNESS WHEREOF, the parties have executed this document below by the signatures of their authorized representatives, effective as of the date first set forth above.

CAREMARKPCS HEALTH, L.L.C.

By: Allison Brown Digitally signed by Allison Brown DN: cn=Allison Brown, o=CVS, ou=CFAP, email=allison.brown@cvshealth.com, c=US Date: 2016.06.28 09:39:34 -07'00'

LEGAL
LEGAL
BY
REVIEW

Name: Allison Brown

Title: Senior Vice President

Date: _____

GUNNISON COUNTY

By: _____

Name: _____

Title: _____

Date: _____

CORESOURCE, INC.

By: [signature]

Name: Kimberly A. Fiori

Title: REGIONAL PRESIDENT

Date: 6/9/16

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