BeneCard PBF
Prescription Benefit Facilitator®

PBMI 2020 EXCELLENCE AWARD WINNER – FOR – CARE MANAGEMENT STRATEGIES

Renewal Proposal to Provide PBM Services for Unite Here Philly Local 634

April 17, 2023.

Executive Summary Pass Through

BeneCard PBF would like to thank Unite Here Philly Local 634 for your collaboration the last 5 years. Our organization is excited about extending our partnership with Unite Here Philly Local 634 and have prepared the enclosed renewal offer for your consideration.

Savings Achieved

Since joining BeneCard PBF in 2018, Unite Here Philly Local 634 has **saved over $1,561,815** by implementing the following clinical programs:

Clinical Program	Savings Achieved
Prior Authorization	$ 938,375
Quantity Limits	$ 468,974
Drug Utilization Review	$ 118,112
Step Therapy	$ 22,684
Drug Utilization Review (DUR) - High Dose	$ 13,670

Projected Savings

BeneCard PBF's renewal proposal includes:

- The value of this proposal is a **$237,048.63 improvement** over the current contract.
- Our performance formulary with an estimated rebate value of **$1,571,579.02 over three years**.

With pharmacists at the core of our business lending an invaluable set of eyes to our operations, we are pleased to guarantee the following savings in Year 1. The guarantee is backed by a dollar-for-dollar penalty up to the guarantee. Working together with Unite Here Philly Local 634 has deepened our appreciation for employer groups focused on member outcomes. As a pharmacist-owned PBM with zero conflicts of interest, we look forward to achieving positive clinical outcomes on behalf of your members for another contract term.

- **Specialty pharmacy drug assistance: $20,751 (see page 3 for more details).**

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Account Executive Kevin Roe is available to answer any questions you may have on the renewal pricing detailed below. Kevin can be reached at (717) 448-6839 or Kevin.Roe@benecardpbf.com.

Specialty Pharmacy Drug Assistance Savings Guarantee

BeneCard PBF guarantees that Unite Here Philly Local 634 will realize specialty drug cost assistance savings of $20,751 in Year 1. This guarantee is backed by a dollar-for-dollar penalty up to the guarantee.

Unite Here Philly Local 634 will keep all savings achieved beyond the savings guarantee.

BeneCard PBF's offer assumes adoption of our specialty pharmacy drug assistance program. This program takes copay assistance to the next level by ensuring that all available copay assistance and alternative funding is provided to the member if they choose to fill their specialty medications at either our internally owned mail pharmacies or an LDD pharmacy with whom we contract.

Making high-cost specialty medications accessible to Unite Here Philly Local 634 members at an affordable cost, assistance is available from pharmaceutical companies as well as private foundations, grants, public charities, and county, municipal, and state programs. As part of our program, care coordinators work with your members to find the right match for their individual needs.

We firmly believe in the efficacy of our specialty pharmacy drug assistance program. This valuable enhancement for Unite Here Philly Local 634 is a partnership, not a one-way street. We need at least 50% qualification and participation from Unite Here Philly Local 634 members for our $20,751 guarantee to be valid. Through effective communication strategies and guiding members with thoughtful planning and care coordination, we are committed to making this happen. We are confident that, together, Unite Here Philly Local 634 and BeneCard will not only meet the savings guarantee but surpass it.

Pass-Through Pricing Offer – Unite Here Philly Local 634

Our proposal assumes a renewal effective date of 7/1/2023.

Retail

Retail	AWP Discount			Dispensing Fee
	Year 1	Year 2	Year 3	All Three Years
Brand	19.50%	19.60%	19.70%	$0.45
Generic	84.00%	84.10%	84.20%	$0.45

Mail

Mail order pricing assumes dispensing exclusively from BeneCard PBF's mail pharmacy.

	AWP Discount			Dispensing Fee
	Year 1	Year 2	Year 3	All Three Years
Brand	25.50%	25.60%	25.70%	$9.71
Generic	86.00%	86.10%	86.20%	$9.71

Benecard Central Fill Exclusive Specialty Arrangement

	AWP Discount			Dispensing Fee
	Year 1	Year 2	Year 3	All Three Years
Specialty Drugs	20.00%	20.10%	20.20%	$50.00

*Includes the following high-touch professional services and applies to each specialty prescription fill:

- Fulfillment and handling
- Member counseling with one of our clinical professionals (pharmacist or nurse)
- Medication regimen and drug profile review
- Other disease or medical condition review
- Physician outreach to discuss member's issues or concerns
- Member consultations regarding potential side effects and monitoring parameters
- Guidance on any financial assistance programs available

Rebates

Performance	Year 1	Year 2	Year 3
Per Eligible Brand Retail Claim	$212.36	$235.33	$252.05
Per Retail 90 Eligible Brand Claim (Assumes 84-day supply)	$521.26	$571.64	$614.05
Per Eligible Brand Mail Claim	$571.07	$622.94	$665.94
Per Eligible Brand Specialty Claim	$2,859.44	$3,359.11	$3,745.20

- Biosimilar - Rebates subject to change based on the entry of generic drugs into the marketplace, changes in the BENECARD PBF'S contract or performance related to those contracts with other firms associated with providing pharmaceutical rebates and other situations which make it commercially unreasonable for BENECARD PBF to collect rebates.
- Biosimilar - This bid factors in the likely enhanced rebates for Humira and portfolio drugs reported by IPD Analytics, an independent industry leader. In the event there are changes or updates to rebates in the marketplace, BeneCard has the right to adjust guarantees accordingly.
- Insulin - Bidder reserves the right to include net ingredient cost savings in annual rebate reconciliation to reasonably account for any manufacturer price decreases where such decreases cause a material negative impact to rebates.

Fees

Administrative and DVHCC	
Administrative Fee	$1.80 Per Life Per Month
DVHCC Fee	$0.50 Per Retail Prescription and $1.00 Per Mail and Specialty Prescription

PLPM assumes 1,690 lives.

Specialty Drug Cost Assistance:

Our offer assumes adoption of our specialty drug cost assistance program. This program takes copay assistance to the next level by ensuring that all available copay assistance and alternative funding is provided to the member if they choose to fill their specialty medications at either our internally owned mail pharmacies or an LDD pharmacy with whom we contract.

Covered Services

The following services are included in our pricing offer:

- Program Analysis and Benefit Modeling
- Open Enrollment Participation and Support
- Toll-Free Call Center Support
- Member Welcome Packet
- Member Online Access to Benefit Details and Health Information
- Implementation Support
- Plan Setup
- Plan Design Changes (mid contract, contract renewal)
- Electronic and Manual Eligibility Submission
- Online Eligibility Access
- Medical Data Integration
- Secure Data Transfer via FTP or VPN Connection
- Electronic Claims Processing
- Claim History (access to two years of history online)
- Access to a National Network of Pharmacies
- Network Management and Communications
- Network Pharmacy Audits (pass through 100% of audit recoveries)
- Standard Financial and Management Reports
- Access to Online Reporting Tool
- Claims Detail File (NCPDP format)
- Formulary Management via P&T Committee
- Formulary Communications Online at www.benecardpbf.com
- Concurrent, Retrospective, and Prospective DUR Edits
- Fraud, Waste and Abuse (online edits)
- Clinical and Industry News Alerts for Clients

Optional Services

Optional Services	Fee
Member Submitted Claims Processing	$2.50 per claim
Medicaid Secondary Claims Processing	$2.50 per claim
Annual Benefit Summary (EOB)	$1.50 plus postage
Customized Identification Card (client's logo or other customizations outside of standard)	To be provided based on customization.
Member ID Packets	$2.50 plus postage
Drug Quantity Management and Step Therapy	Edits are included. If a clinical prior authorization override is required, a fee of $45 applies to each.
Administrative Prior Authorization	$5.00 per plan prior authorization
Clinical Prior Authorization and Internal Appeals	$45 per authorization
Clinical Communications	$2.00 per clinical communication letter plus postage. Clinical letter options: • Clinical Cost Management Letters • Fraud, Waste, and Abuse – Retrospective • Polypharmacy
Enhanced Retrospective and Prospective DUR	Enhanced RDUR and prospective DUR are each offered at $1.60 PMPM for those members participating in the program.
Internal Appeals (reviewed by Medical Director)	$55 per review by Medical Director
External Appeals (reviewed by Independent Review Organization [IRO])	Costs passed through from IRO to Client
External Appeals (at administrative or judicial level)	$150.00 per hour for preparation and participation in external appeals, plus reasonable travel expenses if applicable.
Programming (to support specialized reporting or plan design)	$150 per hour
Medicare Part D RDS Support	Annual base charge of $8,500, plus a per eligible life per month fee based on participating retirees: 1 to 100 RDS members - $0.00 101 to 500 RDS members – $1.00 501 to 1,000 RDS members - $0.75 1,001 to 2,500 RDS members - $0.50 2,501 to 5,000 RDS members - $0.35 5,001 to 7,500 RDS members - $0.25

*Other optional services can be quoted upon request.

Financial Qualifications

- Retail pricing assumes use of our broad network.
- Mail service pricing and Specialty pricing assumes Benecard Central Fill as the exclusive mail pharmacy. Specialty price points are inclusive of our contracted purchase price, our cost to dispense and ship the medication, as well as professional management services provided with every specialty medication (new and refill) dispensed from our pharmacy.
- Specialty drugs which have a limited distribution channel mandated by the manufacturer or a government authority are not subject to price or rebate guarantees.
- New to Market drugs are not included in the guarantee.
- Rebates assume use of our Performance formulary.
- Rebates will be paid quarterly. Rebates may change based on formulary and plan design changes.
- BeneCard reserves the right to adjust guaranteed rebates to reasonably account for the following events:
    - Unexpected market events such as generics launched at risk, authorized generic drug launches, products launched at risk, introduction of biosimilars.
    - A change in any law, regulation, interpretation of a law or regulation, or any change within the PBM marketplace which would lead to a deviation from the current economic environment upon which these guaranteed rebates are based.
    - Formulary changes made by the group (including, but not limited to, utilization management changes), or changes to benefit plan design that causes a negative impact to rebates.
    - Any manufacturer decreases the price of its products, and such decreases cause a material negative impact to Rebates.
    - Situations which make it commercially unreasonable for BeneCard PBF to collect rebates.
    - Any drug(s) scheduled to obtain a generic drug approval/patent cliff strategy during the term of this Agreement.
- Client acknowledges that management fees and costs are retained by third parties and an affiliate of BeneCard PBF.
- BeneCard PBF guarantees that the group shall realize the value of all financial components on an annual aggregate basis.
- Guarantees assume participation in our standard clinical and formulary programs, no significant change(s) to information provided as part of the renewal RFP, retail network, enrollment, drug coverage, or plan design that could have a material impact on eligibility, utilization, or drug mix.
- In the event that material shifts of 2% or greater in specialty utilization or 10% more or less in utilization in any other given channel from historical claims detail provided during renewal process or material shifts of 10% in life count beyond what was specified at any time during the initial term, then BeneCard PBF reserves the right to adjust the guarantees.
- Financial guarantees that are impacted by the group's plan design are only valid when a supportive plan design is adopted by the group. Also, at any time during the initial term if the number of claims in any particular channel represents less than 10% utilization BeneCard PBF reserves the right to deem them statistically irrelevant for financial guarantees purposes due to small sample size.
- Certain claims, as determined by BeneCard PBF, shall be excluded from the guarantees, including but not limited to the following: Prescriptions filled in states that impose "most favored nations" regulations on retail pharmacies reimbursement. Prescriptions filled in Alaska, Hawaii, Massachusetts, and all US territories including, but not limited to, American Samoa, Guam, the Northern Mariana Islands, Puerto Rico, and the Virgin Islands, over-the-counter (OTC) products, compound drugs, certain controlled substances (C-IIs), certain generic oral contraceptives, certain medical devices and supplies, paper pharmacy claims if reimbursement at submitted amount less copayment, home infusion claims, long-term care pharmacy claims, VA claims, direct member reimbursement claims if requested by client to be paid at a rate other than what would have been paid had the member used a participating pharmacy, Affordable Care Act (ACA) OTC products, vaccines, biologics and any supplies related to the drug dispensed, certain drugs which require Drug Wholesaler Special Handling Provisions, claims that are previously paid under coverage by medical insurance carrier, secondary or Medicaid reimbursement, or client exceptions, including client-entered overrides via Online Administration Tool ("OLA") or client-directed overrides.
- In the event any of BeneCard PBF's vendor contracts change materially, BeneCard PBF reserves the right to adjust guarantees accordingly.