

Statement of Work

Pharmacy Benefit Audit Services

This Statement of Work ("SOW"), effective as of October 1, 2018 is between Aon Consulting, Inc. and its affiliates ("Aon") and City of Columbus ("Client"). This SOW and the services provided hereunder are subject to the terms and conditions in the Modification of Administrative Contract executed for the period of September 1, 2018 through January 31, 2019. In the event of any conflict between this SOW and the MSA, the terms of this SOW shall govern.

This SOW commences on October 1, 2018 and will expire on December 31, 2019, unless terminated earlier by either party as permitted in the MSA. Aon's obligation to render services will end at the expiration of this SOW.

Services

The services to be provided under this SOW are set forth in Exhibit A hereto ("Services"). Any work product arising out of the services set forth in Exhibit A shall constitute the "Deliverables" as that term is defined in Section 5 of the MSA. Client acknowledges that, in order for Aon to meet critical completion dates and operate within budget expectations, Aon may require Client to perform certain acts and provide information requested by Aon at various intervals. For example, Aon may need Client to:

- Provide claim or other pertinent documentation and files
- React to preliminary project findings
- Be accessible for conference calls and/or meetings
- Approve final versions of project-related documentation
- Provide written approval of Aon's compensation and reports

Client may be required to provide additional information and support, as set forth in Exhibit A hereto.

Fees and Payment Schedule

For completing the Services, Client agrees to pay to Aon total fees in the amount of \$ 60,000. Aon will bill Client in six (6) equal monthly installments of \$ 10,000 a month starting with the October 1, 2018 invoice. Fees and expenses shall be charged and payable in accordance with the terms of the MSA. Travel expenses incurred by Aon audit staff are included in the project fees.

Project Description	Fee
Rx Pricing Audit	\$30,000
Rx Rebate Audit	\$30,000
Total Fees	\$60,000

If additional services outside of the scope of this SOW are requested, services will be billed to Client at a rate of \$350 per hour. Before performing such services, Aon will obtain approval from Client.

Change In Scope

Please be aware that requested changes in the scope of services provided by Aon could result in an increase in fees and charges. Changes in scope could include, but are not limited to, the following:

- Expanding the scope of the services or adding additional or different services;
- Other factors which were not anticipated and increase the complexity of timing of plan operations or which affect Aon's responsibilities or duties.

In the event that Client's operations or benefit plans or programs substantially change by merger, acquisition, expansion, or other material change in scope and nature of exposures, Client will inform Aon, and Client and Aon will negotiate in good faith to revise this SOW as appropriate.

Changes in the services or additional projects may also be included as part of this engagement, as mutually agreed to in writing or email by the parties. Unless otherwise set forth in such writing, Aon's fees for other projects will be determined on a time and materials basis in accordance with Aon's then current billing rates and the value of Aon's services based on Aon's time, complexity, and the level of skill and urgency required. Aon will discuss estimated fees in more detail for larger projects. Materials include (but are not limited to) such items as printing, binding, shipping, outside supplier charges, etc.

Disclosures

Aon and/or its affiliates may from time to time maintain contractual relationships with certain insurers. Further details concerning Aon's relationship with insurance carriers can be found at <http://www.aon.com/about-aon/corporate-governance/corporate/market-relationships/contractual-relationship-with-carriers.jsp#>.

Aon's professional services do not in any case include legal, investment, or accounting services, and we are not a fiduciary to Client's benefit plans or programs. The services and work product provided by Aon hereunder are provided solely for Client's internal use; they are not intended to be used or relied upon by third parties.

All materials contained herein shall be maintained in strict confidence by all parties and shall not be copied, distributed or made available to any other party without the prior written authorization of all parties.

This SOW must be signed below by authorized representatives of the parties. Counterparts may be delivered via facsimile, electronic mail (including pdf) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

City of Columbus

By: Nichole M. Brandon
Name: Nichole M. Brandon
Title: HR Director
Date: 10/18/18

Aon Consulting, Inc.

By: Matt Mann
Name: Matt Mann
Title: COO - U.S. Health & Benefits
Date: 10/03/18

Exhibit A—Services to Be Provided

Project Scope

Rx Pricing Audit – Commercial line of business

Aon will audit 100 percent of the claims to verify that the pricing applied complies with the terms of the contractual arrangements between the Client and the PBM. Aon understands the complexity and nuances in the pricing arrangement between the Client and OptumRx, Inc. (OptumRx). In Aon's experience, it is not uncommon to find significant shortfalls above and beyond what the PBM has already self-reported.

The following dispensing fees and discounts will be evaluated for brand, generic and specialty claims for each pricing arrangement:

- Retail
- 90-day supply
- Mail service/home delivery
- Specialty pharmacy
- Maximum Allowable Cost (MAC) Pricing Assessment (depending on MAC list availability)
- Dispensing Fee Accuracy
- Average Wholesale Price (AWP) Accuracy
- Lower of Pricing Accuracy
- Aggregate Discount Accuracy
- Additionally, where applicable (e.g., retiree populations), Aon will validate the following arrangements:
 - Extended day supply
 - Long-Term Care (LTC)
 - Home Infusion (HI)
 - Indian Health Service/Tribal/Urban Indian (I/T/U)

Rx Rebate Audit – Commercial line of business

Aon will audit rebates to verify that the pricing applied complies with the terms of the contractual arrangements between the Client and the PBM.

When conducting the Rebate audit for the Commercial claims, Aon shall:

- Review quarterly rebate reports and the annual reconciliation report to determine the largest rebate payments to the Client, by manufacturer, as well as the top utilized drugs from these manufacturers
- Verify that the manufacturers identified allow the PBM to share terms of the manufacturer agreement with third parties
- Review reporting for compliance with contractual obligations regarding payments for the drugs targeted in the rebate audit
- Conduct a PBM onsite audit of relevant portions of the top 5 drug manufacturer agreements under which the rebates are calculated to assess consistency with formulary placement and rebate contracts, proper calculation of rebates invoiced, and reconciliation of rebates paid by manufacturers under these agreements
- Compare results with actual paid rebates for claims adjudicated during the audit period
- Determine whether rebates are within the expected payment commitments according to PBM agreements with manufacturers

- Verify that the correct per-claim rebate-eligible amounts are sent to the manufacturers, based on the rebate arrangements (e.g., verify that each Lipitor claim was invoiced for xx% of Wholesale Acquisition Cost (WAC))
- Validate that payments received from manufacturers are consistent with the amounts invoiced by OptumRx on behalf of the City
- Identify any outstanding payments and document reasons for nonpayment, if possible (e.g., a manufacturer is disputing whether or not specific claims are eligible)

If the audit indicates monies owed to the Client, Aon will help with PBM negotiations to recover such monies. Note that the potential for recovery is highly dependent on the PBM contract wording and terms. The timeline varies depending on the complexity of the PBM's errors. Typically, it takes two to four weeks to exchange audit findings and the responses.

Timeline

An estimated timeline for the audit engagement is listed below. Aon works with Client to follow a disciplined timeline, which is finalized at the kickoff meeting. While Aon makes every effort to adhere to the timeline, audit timelines are dependent upon the timely receipt of accurate data files needed to conduct the audit, the number and types of errors identified in the discrepancy findings, and the time required to review the errors with the PBM and the PBM's timely response to discrepancy findings. Aon provides regular status updates throughout the audit engagement to keep Client informed of any changes to the timeline.

- **Kickoff meeting** – October 2018, to be finalized upon execution of SOW
- **Data transfer and quality assurance** – November 2018, generally one month following project kickoff
- **Audit work and reconciliation** – December 2018 - February 2018
- **Final report** – March 2019, generally 16-20 weeks after complete receipt of data

Client acknowledges that the delivery dates above require that all parties (Aon, Client, PBM and other third party vendors ("Vendors")) resolve issues with a sense of urgency and without delay. Client and Aon acknowledge that PBM's/Vendor's responsiveness is out of each parties' control and that both parties must work together to help ensure PBM/Vendor responsiveness. Should a PBM/Vendor delay delivery of necessary data for Aon to complete the services described in this SOW, audit delivery dates may be delayed accordingly.

Assumptions

The project scope and timeline are based on the following assumptions regarding Client:

- The current PBM is OptumRx
- The prescription drug plan serves 23,300 members and incurs approximately 297,000 prescription claims per year
- There is 1 Commercial line of business

Client Role & Responsibilities

Aon may require Client's cooperation to access the resources and data necessary to complete the audits. These responsibilities may include:

- Assisting in the timely execution of a Confidentiality/Nondisclosure Agreement (NDA) among client, PBM and Aon
- Assigning a primary contact person for the audit, as well as access to other staff as necessary to complete the audit
- Providing to Aon the appropriate contracts, addendums and benefit plan descriptions (summary plan descriptions, copayment summaries, account structures, etc.)
- Facilitating receipt of electronic claims data from the PBM and ensuring that the final file for the audit period is delivered to Aon no later than 30 days after the audit kickoff meeting
- Contacting PBM to obtain response to discrepancy files, in the event that PBM fails to respond after multiple attempts
- Obtaining a detailed formulary file that includes a listing of all covered drugs by:
 - National Drug Code (NDC)
 - Tier
 - Effective date
 - Expiration date
 - Quantity limits
 - Prior authorization requirements
- Providing an understanding of the utilization and management controls in place, such as step therapy and prior authorization, as they affect rebate eligibility
- Facilitating onsite access at PBM to electronic claims data and pertinent drug manufacturer contracts and associated payments
- Assisting in obtaining:
 - Pharmacy utilization data in a mutually agreed format
 - PBM criteria for rebate tiers and allocation levels
 - Evidence of calculated market shares, inclusive of national market shares for comparison, when appropriate
 - Statements of rebates paid, including a breakdown of rebates by manufacturer and drug, administrative fees, rebates retained by PBM, and any other payments determined to be contractually payable
 - List of all rebate-eligible drugs by manufacturer, if possible
 - Documentation of policies, procedures, and controls related to rebates