

CONTRACT SUMMARY

(This form must accompany all contracts submitted to the Board of Examiners (BOE) for review and approval)

I. DESCRIPTION OF CONTRACT

1. Contract Number: **25582** Amendment Number: **2**
 Agency Name: **PUBLIC EMPLOYEES' BENEFITS PROGRAM** Legal Entity Name: **EXPRESS SCRIPTS, INC.**
 Agency Code: **950** Contractor Name: **EXPRESS SCRIPTS, INC.**
 Appropriation Unit: **1338 - All Categories** Address: **ONE EXPRESS WAY**
 Is budget authority available?: **Yes** City/State/Zip: **SAINT LOUIS, MO 63121-1824**
 If "No" please explain: **Not Applicable** Contact/Phone: **949/499-2042**
 Vendor No.: **T29037510**
 NV Business ID: **NV20151712630**

To what State Fiscal Year(s) will the contract be charged? **2023-2026**

What is the source of funds that will be used to pay the contractor? Indicate the percentage of each funding source if the contractor will be paid by multiple funding sources.

General Funds	0.00 %	Fees	0.00 %
Federal Funds	0.00 %	Bonds	0.00 %
Highway Funds	0.00 %	X Other funding	100.00 % State Subsidy and Participant Premium

2. Contract start date:
 a. Effective upon Board of Examiner's approval? **No** or b. other effective date **07/01/2022**
 Anticipated BOE meeting date **null/null**
 Retroactive? **No**

If "Yes", please explain

Not Applicable

3. Previously Approved Termination Date: **06/30/2026**
 Contract term: **4 years**

4. Type of contract: **Contract**
 Contract description: **PBM**

5. Purpose of contract:
This is the second amendment to the original contract for Pharmacy Benefit Manager Services. This amendment incorporates the 2024 Nevada Public Employees' Benefit Program Preventive Medications List, Express Scripts; Rebate Reconciliation Methodology change, and the Plan Year 2024 ESI Market Check pricing adjustments.

6. CONTRACT AMENDMENT

	Trans \$	Info Accum \$	Action Accum \$	Agenda
1. The max amount of the original contract:	\$332,109,496.00	\$332,109,496.00	\$332,109,496.00	Yes - Action
a. Amendment 1:	\$0.00	\$0.00	\$0.00	No
2. Amount of current amendment (#2):	\$0.00	\$0.00	\$0.00	No
3. New maximum contract amount:	\$332,109,496.00			

II. JUSTIFICATION

7. What conditions require that this work be done?
Pharmacy Benefits are a key component to the core benefits offered by PEBP.

8. Explain why State employees in your agency or other State agencies are not able to do this work:

The State of Nevada does not administer prescription drug benefits.

9. Were quotes or proposals solicited? Yes

Was the solicitation (RFP) done by the Purchasing Division? Yes

a. List the names of vendors that were solicited to submit proposals (include at least three):

b. Solicitation Waiver: **Not Applicable**

c. Why was this contractor chosen in preference to other?

RFP#95PEBPOS1711

d. Last bid date: Anticipated re-bid date:

10. a. Does the contract contain any IT components? No

b. Is the contract part of an IT investment project over \$50,000? No

III. OTHER INFORMATION

11. Is there an Indirect Cost Rate or Percentage Paid to the Contractor?

No If "Yes", please provide the Indirect Cost Rate or Percentage Paid to the Contractor

Not Applicable

12. a. Is the contractor a current employee of the State of Nevada or will the contracted services be performed by a current employee of the State of Nevada?

No

b. Was the contractor formerly employed by the State of Nevada within the last 24 months or will the contracted services be performed by someone formerly employed by the State of Nevada within the last 24 months?

No

c. Is the contractor employed by any of Nevada's political subdivisions or by any other government?

No If "Yes", please explain

Not Applicable

13. Has the contractor ever been engaged under contract by any State agency?

Yes If "Yes", specify when and for which agency and indicate if the quality of service provided to the identified agency has been verified as satisfactory:

Current PBM for PEBP.

14. Is the contractor currently involved in litigation with the State of Nevada?

No If "Yes", please provide details of the litigation and facts supporting approval of the contract:

Not Applicable

15. The contractor is registered with the Nevada Secretary of State's Office as a: Nevada Corporation

16. a. Is the Contractor Name the same as the legal Entity Name?

Yes

17. a. Does the contractor have a current Nevada State Business License (SBL)?

Yes

18. a. Is the legal entity active and in good standing with the Nevada Secretary of State's Office?

Yes

19. Agency Field Contract Monitor:

20. Contract Status:

Contract Approvals:

Approval Level	User	Signature Date
Budget Account Approval	mweyland	03/27/2024 16:39:38 PM
Division Approval	mweyland	03/27/2024 16:39:47 PM

CETS #:	
Solicitation #:	95PEBP-S1711

AMENDMENT # 2

TO CONTRACT FOR SERVICES OF INDEPENDENT CONTRACTOR

Between the State of Nevada
Acting By and Through Its

Agency Name:	Public Employees' Benefits Program
Address:	3427 Goni Road, Suite 109
City, State, Zip Code:	Carson City, NV 89706
Contact:	Michelle Weyland
Phone:	775-684-7020
Fax:	775-684-7028
Email:	mweyland@peb.nv.gov

Contractor Name:	Express Scripts, Inc.
Address:	One Express Way
City, State, Zip Code:	St. Louis, Missouri 63121
Contact:	Roger Holland
Phone:	949-499-2042
Fax:	
Email:	roger_holland@epxpress-scripts.com

1. **AMENDMENTS.** For and in consideration of mutual promises and other valuable consideration, all provisions of the original Contract and all prior amendments resulting from Request for Proposal #95PEBP-S1711 and dated 05/10/2022, attached hereto as Exhibit A, remain in full force and effect with the exception of the following:

A. Provide a brief explanation for contract amendment.

This is the second amendment to the original contract. This amendment incorporates the 2024 Nevada Public Employees' Benefit Program Preventive Medications List, Express Scripts' Rebate Reconciliation Methodology change, and the Plan Year 2024 ESI Market Check pricing adjustments.

B. Current Contract Language:

1. **INCORPORATED DOCUMENTS.** The parties agree that this contract, inclusive of the following attachments, specifically describes the scope of work. This Contract incorporates the following attachments in descending order of constructive precedence:

ATTACHMENT AA:	NEGOTIATED ITEMS
ATTACHMENT BB:	INSURANCE SCHEDULE
ATTACHMENT CC:	PERFORMANCE GUARANTEES
ATTACHMENT DD:	FEE SCHEDULE (CONFIDENTIAL) Effective 7/1/2023

CETS#:	
Solicitation #:	95PEBP-S1711

ATTACHMENT EE:	BUSINESS ASSOCIATE ADDENDUM
ATTACHMENT FF:	STATE SOLICITATION OR RFP # 95PEBP-S1711 and AMENDMENT(S)
ATTACHMENT GG:	VENDOR PROPOSAL #95PEBP-VQ10761
ATTACHMENT HH:	STATE SOLICITATION OR RFP #95PEBP-S1711 and CONFIDENTIAL VENDOR PROPOSAL

C. Amended Contract Language:

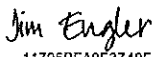
- 1. INCORPORATED DOCUMENTS.** The parties agree that this contract, inclusive of the following attachments, specifically describes the scope of work. This Contract incorporates the following attachments in descending order of constructive precedence:

ATTACHMENT AA:	NEGOTIATED ITEMS
ATTACHMENT BB:	INSURANCE SCHEDULE
ATTACHMENT CC:	PERFORMANCE GUARANTEES
ATTACHMENT DD:	FEE SCHEDULE (CONFIDENTIAL) Effective 7/1/2023
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ATTACHMENT HH:	STATE SOLICITATION OR RFP #95PEBP-S1711 and CONFIDENTIAL VENDOR PROPOSAL
ATTACHMENT II:	EXPRESS SCRIPTS' REBATE RECONCILIATION METHODOLOGY
ATTACHMENT JJ:	2024 PEBP PREVENTIVE MEDICATIONS LIST
ATTACHMENT KK:	2024 PBM PRICING SUPPLEMENT

- 2. INCORPORATED DOCUMENTS.** Exhibit A (original Contract) and Amendment #1 are attached hereto, incorporated by reference herein and made a part of this amended contract.
- 3. REQUIRED APPROVAL.** This amendment to the original Contract shall not become effective until and unless approved by the Nevada State Board of Examiners.

CETS #:	
Solicitation #:	95PEBP-S1711

IN WITNESS WHEREOF, the parties hereto have caused this amendment to the original contract to be signed and intend to be legally bound thereby.

DocuSigned by:

117069FA0F3740F

05/11/2024 | 7:16 AM EDT

VP, Account Management

Independent Contractor's Signature

Date

Independent Contractor's Title

State of Nevada Authorized Signature

Date

Title

State of Nevada Authorized Signature

Date

Title

State of Nevada Authorized Signature

Date

Title

APPROVED BY BOARD OF EXAMINERS

Signature – Board of Examiners

On: _____

Date

Approved as to form by:

Deputy Attorney General for Attorney General

On: _____

Date

CETS #:	25582
Solicitation #:	95PEBP-S1711

AMENDMENT # 1

Between the State of Nevada
Acting by and Through Its

Public Employees' Benefits Program

901 S. Stewart Street, Suite 1001
Carson City, NV, 89701
Contact: Michelle Weyland
Phone: (775) 684-7020 Fax: (775) 684-7028
Email: mweyland@peb.nv.gov

and

Express Scripts, Inc.

One Express Way
St. Louis, Missouri 63121
Contact: Roger Holland
Phone: (949) 499-2042
Email: roger_holland@express-scripts.com

1. **AMENDMENTS.** For and in consideration of mutual promises and other valuable consideration, all provisions of the original Contract resulting from Request for Proposal #95PEBP-S1711 and dated May 10, 2022, attached hereto as Exhibit A, remain in full force and effect with the exception of the following:
- A. This is the first amendment to the original contract for Pharmacy Benefit Manager services. This amendment updates Attachment DD – Fee Schedule (Confidential).
- B. **Current Contract Language:**
5. **INCORPORATED DOCUMENTS.** The parties agree that this contract, inclusive of the following attachments, specifically describes the scope of work. This Contract incorporates the following attachments in descending order of constructive precedence:

ATTACHMENT AA:	NEGOTIATED ITEMS
ATTACHMENT BB:	INSURANCE SCHEDULE
ATTACHMENT CC:	PERFORMANCE GUARANTEES
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Revised: August 2019

CETS #:	25582
Solicitation #:	95PEBP-S1711

C. **Amended Contract Language:**


5. **INCORPORATED DOCUMENTS.** The parties agree that this contract, inclusive of the following attachments, specifically describes the scope of work. This Contract incorporates the following attachments in descending order of constructive precedence:

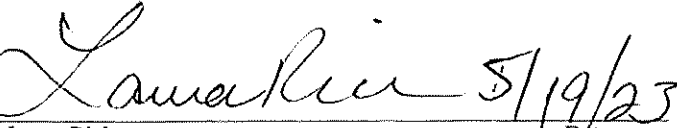
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CETS #:	25582
Solicitation #:	95PEBP-S1711

- INCORPORATED DOCUMENTS.** Exhibit A (original Contract), is attached hereto, incorporated by reference herein and made a part of this amended contract.
- REQUIRED APPROVAL.** This amendment to the original Contract shall not become effective until and unless approved by the Nevada State Board of Examiners.

IN WITNESS WHEREOF, the parties hereto have caused this amendment to the original contract to be signed and intend to be legally bound thereby.

DocuSigned by:
 05/15/2023 | 5:15 PM EDT VP, Account Management

Independent Contractor's Signature	Date	Independent Contractor's Title
	5/19/23	
Laura Rich	Date	PEBP Executive Officer
		Title

APPROVED BY BOARD OF EXAMINERS

Signature - Board of Examiners

On: _____
Date

Approved as to form by:

 _____
 Deputy Attorney General
 Attorney General for

On: 7/03/23
Date

**A PROPOSAL TO PROVIDE
PHARMACY BENEFIT MANAGEMENT SERVICES
STATE OF NEVADA**

EFFECTIVE 7/1/2023

APRIL 27, 2023

All of the materials in this proposal and any materials subsequently disclosed in any media form that relate to this proposal ("Proposal Materials") are confidential and the sole and exclusive proprietary property of Express Scripts, and all rights, titles and interests are vested in Express Scripts. The Proposal Materials are provided to Sponsor for its exclusive use, and for the sole purpose, to evaluate Express Scripts prescription-drug program. The Proposal Materials may not be distributed, copied or made available for review or use to any other party. If you use any consultant or other party to review the Proposal Materials, you may divulge the Proposal Materials to them on the condition that each recipient agrees to be bound by the restrictions Express Scripts has placed on the use and disclosure of the Proposal Materials. This disclaimer is applicable to any recipient assisting or participating in the evaluation of these Proposal Materials on behalf of Sponsor.

EXHIBIT A

PRICING TERMS AND PHARMACY PROGRAM FEES

Exhibit A-1

Billing, Payment, and Miscellaneous Pricing Terms

Exhibit A-2

Claims Reimbursement Rates

Exhibit A-3

Manufacturer Payments

Exhibit A-4

Administrative Services and Clinical Program Fees

Exhibit A-1

Term, Billing, Payment, and Miscellaneous Pricing Terms

1. **TERM.** This Agreement will commence as of July 1, 2022 and will continue for a period of four (4) years ("Initial Term"). The Initial Term plus any renewal terms will be known as the Term ("Term"). Thereafter, at Sponsors discretion, this Agreement may be renewed for an additional two (2) years, subject to the right of termination as otherwise provided herein.

2. **BILLING AND PAYMENT.**

a. **Billing.** ESI will invoice Sponsor: [REDACTED]

b. **Payment.** [REDACTED]

3. **PHARMACY MANAGEMENT FUND ("PMF").**

a. [REDACTED]

b. [REDACTED]

c. [REDACTED]

d. [REDACTED]

[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]

4. COMPOUND DRUG PRICING.

ALL YEARS	
Compounds (not listed elsewhere)	Pass-Through

5. GENERAL PRICING TERMS. The following terms are applicable to all pricing terms set forth in this Agreement.

5.1. Calculation of Ingredient Cost Guarantees. ESI will guarantee an average aggregate annual discounts to Sponsor to be calculated as follows:

[REDACTED]

5.2. Calculation of Dispensing Fee Guarantees. ESI will guarantee an average aggregate annual per Prescription Drug Claim dispensing fee to Sponsor to be calculated as follows:

[REDACTED]

5.3. [REDACTED]

5.4. Guarantee Reconciliation Period. [REDACTED]

[REDACTED]

hereunder, but without limiting ESI's right to other remedies, ESI may immediately withhold any Manufacturer Payments amounts earned but not yet paid to Sponsor. To the extent Sponsor knowingly negotiates and/or contracts for discounts or rebates on claims for Covered Drugs without prior written approval of ESI, such activity will be deemed to be a material breach of this Agreement, entitling ESI to suspend payment of Manufacturer Payments, amounts hereunder and to renegotiate the terms and conditions of this Agreement.

3.4

3.5 Under its Rebate program, ESI may implement ESI's Formulary management programs and controls, which may include, among other things, cost containment initiatives, and communications with Members, Participating Pharmacies, and/or physicians. ESI reserves the right to modify or replace such programs from time to time. Guaranteed Manufacturer Payment amounts, if any, set forth herein, are conditioned on adherence to various Formulary management controls, benefit design requirements, claims volume, and other factors stated in the applicable rebate agreements, as communicated by ESI to Sponsor from time to time. If any government action, change in law or regulation, change in the interpretation of any law or regulation, or any action by a pharmaceutical manufacturer has an adverse effect on the availability of Manufacturer Payments, then ESI may make an adjustment to the Manufacturer Payment terms and guaranteed Manufacturer Payment amounts, if any, hereunder.

3.6 Manufacturer Payment amounts paid to Sponsor pursuant to this Agreement are intended to be treated as "discounts" pursuant to the federal anti-kickback statute set forth at 42 U.S.C. §1320a-7b and implementing regulations. Sponsor is obligated if requested by the Secretary of the United States Department of Health and Human Services, or as otherwise required by applicable law, to report the Manufacturer Payment amounts and to provide a copy of this notice. ESI will refrain from doing anything that would impede Sponsor from meeting any such obligation.

FINANCIAL DISCLOSURE TO ESI PBM CLIENTS

This disclosure provides an overview of the principal revenue sources of Express Scripts, Inc. and Medco Health Solutions, Inc. (individually and collectively referred to herein as "ESI"), as well as ESI's affiliates. In addition to administrative and dispensing fees paid to ESI by our clients for pharmaceutical benefit management ("PBM") services, ESI and its affiliates derive revenue from other sources, including arrangements with pharmaceutical manufacturers, wholesale distributors, and retail pharmacies. Some of this revenue relates to utilization of prescription drugs by members of the clients receiving PBM services. ESI may pass through certain manufacturer payments to its clients or may retain those payments for itself, depending on the contract terms between ESI and the client.

Relationship with Cigna Corporation. On December 20, 2018, ESI's parent company, Express Scripts Holding Company, was acquired by Cigna Corporation.

Relationship with Evernorth Health, Inc. Evernorth Health, Inc., a wholly-owned subsidiary of Cigna Corporation, is the parent company of ESI.

Network Pharmacies – ESI contracts for its own account with retail pharmacies to dispense prescription drugs to client members. Rates paid by ESI to these pharmacies may differ among networks (e.g., Medicare, Worker's Comp, open and limited), and among pharmacies within a network, and by client arrangements. PBM agreements generally provide that a client pays ESI an ingredient cost, plus dispensing fee, for drug claims. If the rate paid by a client exceeds the rate contracted with a particular pharmacy, ESI will realize a positive margin on the applicable claim. The reverse also may be true, resulting in negative margin for ESI. ESI also enters into pass-through arrangements where the client pays ESI the actual ingredient cost and dispensing fee amount paid by ESI for the particular claim when the claim is adjudicated to the pharmacy. In addition, when ESI receives payment from a client before payment to a pharmacy, ESI retains the benefit of the use of the funds between these payments. ESI may maintain non-client specific aggregate guarantees with pharmacies and may realize positive margin. ESI may charge pharmacies standard transaction fees to access ESI's pharmacy claims systems and for other related administrative purposes. ESI may also maintain certain preferred value or quality networks; pharmacies participating in those networks may pay or receive aggregated payments related to these networks.

Brand/Generic Classifications – Prescription drugs may be classified as either a "brand" or "generic;" however, the reference to a drug by its chemical name does not necessarily mean that the product is recognized as a generic for adjudication, pricing or copay purposes. For the purposes of pharmacy reimbursement, ESI distinguishes brands and generics through a proprietary algorithm ("BGA") that uses certain published elements provided by First DataBank (FDB), a third-party vendor, including price indicators, Generic Indicator, Generic Manufacturer Indicator, Generic Name Drug Indicator, innovator, Drug Class and abbreviated new drug application (ANDA). The BGA uses these data elements in a hierarchical process to categorize the products as brand or generic. The BGA also has processes to resolve discrepancies and prevent "flipping" between brand and generic status due to price fluctuations and marketplace availability changes. The elements listed above and sources are subject to change based on the availability of the specific fields. Updated summaries of the BGA are available upon request. Brand or generic classification for client reimbursement purposes is either based on the BGA or specific code indicators from Medi-Span, a third-party vendor, or a combination of the two as reflected in the client's specific contract terms. Application of an alternative methodology based on specific client contract terms does not affect ESI's application of its BGA for ESI's other contracts.

Maximum Allowable Cost ("MAC")/Maximum Reimbursement Amount ("MRA") – As part of the administration of the PBM services, ESI maintains a MAC List of drug products identified as requiring pricing management due to the number of manufacturers, utilization and/or pricing volatility. The criteria for inclusion on the MAC List are based on whether the drug has readily available generic product(s), is generally equivalent to a brand drug, is cleared of any negative clinical implications, and has a cost basis that will allow for pricing below brand rates. ESI also maintains MRA price lists for drug products on the MAC List based on current price reference data provided by MediSpan or other nationally recognized pricing sources, market pricing and availability information from generic manufacturers and on-line research of national wholesale drug company files, and client arrangements. Similar to the BGA, the elements listed above and sources are subject to change based on the availability of the specific fields. Updated summaries of the MAC methodology are available upon request.

Manufacturer Programs Formulary Rebates, Associated Administrative Fees, and PBM Service Fees – ESI contracts with manufacturers and/or group purchasing organizations ("GPOs") for its own account to obtain formulary rebates attributable to the utilization of certain drugs and supplies. Formulary rebate amounts received vary based on client specific utilization, the volume of utilization as well as formulary position applicable to the drug or supplies, and adherence to various formulary management controls, benefit design requirements, claims volume, and other similar factors, and in certain instances also may vary based on the product's market-share. ESI pays formulary rebates it receives to a client based on the client's PBM agreement terms and may realize positive margin. In addition, ESI provides administrative services to contracted manufacturers, which include, for example, maintenance and operation of systems and other infrastructure necessary for invoicing and processing rebates, pharmacy discount programs, access to drug utilization data, as allowed by law, for purposes of verifying and evaluating applicable payments, and for other purposes related to the manufacturer's products. ESI receives administrative fees directly from participating manufacturers and indirectly from GPOs. In its capacity as a PBM company, ESI may receive other compensation from manufacturers for the performance of various programs or

services, including, for example, formulary compliance initiatives, clinical services, therapy management services, education services, inflation protection programs, medical benefit management services, cost containment programs, discount programs, and the sale of non-patient identifiable claim information. This compensation is not part of the formulary rebates or associated administrative fees, and ESI may realize positive margin between amounts paid to clients and amounts received. ESI retains the financial benefit of the use of any funds held until payment is made to the client.

Copies of ESI's standard formularies may be reviewed at <https://www.controlcenter.com/>.

Third Party Offerings - ESI partners with multiple third party vendors to provide clinical programs and other product offerings to clients. ESI may have an ownership interest in certain third party vendors.

ESI Subsidiary Pharmacies – ESI has several licensed pharmacy subsidiaries, including our specialty pharmacies. These entities may maintain product purchase discount arrangements and/or fee-for-service arrangements with pharmaceutical manufacturers, wholesale distributors, and other health care providers. These subsidiary pharmacies contract for these arrangements on their own account in support of their various pharmacy operations. Many of these subsidiary arrangements relate to services provided outside of PBM arrangements, and may be entered into irrespective of whether the particular drug is on one of ESI's national formularies. Discounts and fee-for-service payments received by ESI's subsidiary pharmacies are not part of the PBM formulary rebates or associated administrative fees paid to ESI in connection with ESI's PBM formulary rebate programs. However, certain purchase discounts received by ESI's subsidiary pharmacies, whether directly or through ESI, may be considered for formulary purposes if the value of such purchase discounts is used by ESI to supplement the discount on the ingredient cost of the drug to the client based on the client's PBM agreement terms. From time to time, ESI and its affiliates also may pursue and maintain for its own account other supply chain sourcing relationships not described below as beneficial to maximize ESI's drug purchasing capabilities and efficiencies, and ESI or affiliates may realize an overall positive margin with regard to these initiatives.

The following provides additional information regarding examples of ESI subsidiary discount arrangements and fee-for-service arrangements with pharmaceutical manufacturers, and wholesale distributors:

ESI Subsidiary Pharmacy Discount Arrangements – ESI subsidiary pharmacies purchase prescription drug inventories, either from manufacturers or wholesalers, for dispensing to patients. Often, purchase discounts off the acquisition cost of these products are made available by manufacturers and wholesalers in the form of either up-front discounts or retrospective discounts. These purchase discounts, obtained through separate purchase contracts, are not formulary rebates paid in connection with our PBM formulary rebate programs. Drug purchase discounts are based on a pharmacy's inventory needs and, at times, the performance of related patient care services and other performance requirements. When a subsidiary pharmacy dispenses a product from its inventory, the purchase price paid for the dispensed product, including applicable dispensing fees, may be greater or less than that pharmacy's acquisition cost for the product net of purchase discounts. In general, our pharmacies realize an overall positive margin between the net acquisition cost and the amounts paid for the dispensed drugs.

ESI Subsidiary Fee-For-Service Arrangements – One or more of ESI's subsidiaries, including, but not limited to, its subsidiary pharmacies also may receive fee-for-service payments from manufacturers, wholesalers, or other health care providers in conjunction with various programs or services, including, for example, patient assistance programs for indigent patients, dispensing prescription medications to patients enrolled in clinical trials, various therapy adherence and fertility programs, administering FDA compliance requirements related to the drug, 340B contract pharmacy services, product reimbursement support services, and various other clinical or pharmacy programs or services. As a condition to having access to certain products, and sometimes related to certain therapy adherence criteria or FDA requirements, a pharmaceutical manufacturer may require a pharmacy to report selected information to the manufacturer regarding the pharmacy's service levels and other dispensing-related data with respect to patients who receive that manufacturer's product. A portion of the discounts or other fee-for-service payments made available to our pharmacies may represent compensation for such reporting.

Other Manufacturer Arrangements – ESI also maintains other lines of business that may involve discount and service fee relationships with pharmaceutical manufacturers and wholesale distributors. Examples of these businesses include a wholesale distribution business, group purchasing organizations (and related group purchasing organization fees), and a medical benefit management company. Compensation derived through these business arrangements is not considered for PBM formulary placement, and is in addition to other amounts described herein. These service fees are not part of the formulary rebates or associated administrative fees.

Third Party Data Sales – Consistent with any client contract limitations, ESI or its affiliates may sell HIPAA compliant information maintained in their capacity as a PBM, pharmacy, or otherwise to data aggregators, manufacturers, or other third parties on a fee-for-service basis or as a condition of discount eligibility. All such activities are conducted in compliance with applicable patient and pharmacy privacy laws and client contract restrictions.

August 4, 2022

THIS EXHIBIT REPRESENTS ESI'S FINANCIAL POLICIES. ESI MAY PERIODICALLY UPDATE THIS EXHIBIT AND THE FINANCIAL DISCLOSURES CONTAINED HEREIN TO REFLECT CHANGES IN ITS BUSINESS PROCESSES; THE CURRENT FINANCIAL DISCLOSURE IS AVAILABLE UPON REQUEST AND ACCESSIBLE ON [HTTPS://WWW.EXPRESS-SCRIPTS.COM/CORPORATE](https://www.express-scripts.com/corporate) AND [HTTPS://WWW.CONTROLCENTER.COM/](https://www.controlcenter.com/).



2024 Nevada Public Employees Benefit Program Preventive Medications List

This list provides examples of commonly prescribed preventive medications. It is not an all-inclusive list; however, many examples of the medications are listed in each category.

This list does not indicate coverage. Please check with your plan administrator and/or benefit information materials if you have questions on coverage. Your cost share will be determined by your plan's drug coverage and formulary plan.

Coverage prior to the deductible being met may not be provided for every strength or dosage form of a listed medication.

Please note: When feasible, brand names are shown in capitals in each category. If generic is available, it is listed in lowercase next to the brand name. If only generics are available (for example, brands are no longer available), they will only be listed in lowercase.

ASTHMA/COPD

ADVAIR HFA
AIRDUO DIGIHALER
AIRSUPRA
albuterol HFA
albuterol nebulizer solution
albuterol oral
ANORO ELLIPTA
ARNUITY ELLIPTA
ASMANEX HFA
ASMANEX TWISTHALER
ATROVENT HFA
BREQ ELLIPTA
BREZTRI AEROSPHERE
budesonide oral inhalation
COMBIVENT RESPIMAT
cromolyn nebulizer solution
DULERA
FASENRA
formoterol
ipratropium/albuterol nebulizer solution
ipratropium nebulizer solution
LONHALA MAGNAIR
metaproterenol
montelukast
NUCALA
QVAR REDIHALER
roflumilast
SPIRIVA RESPIMAT
STIOLTO RESPIMAT
terbutaline oral
TEZSPIRE

ASTHMA/COPD (continued)

THEO-24
theophylline
TRELEGY ELLIPTA
XOLAIR
YUPELRI
zileuton ER
ZYFLO

BONE DISEASE AND FRACTURES

ATELVIA DR (risedronate DR)
BINOSTO
DUAVEE

CAVITIES

CLINPRO
periomed
sodium fluoride rinse, gel, cream,
paste, tabs and drops

COLONOSCOPY PREPARATION*

gavilyte-c
gavilyte-n
sodium, potassium and
magnesium sulfates
SUFLAVE
SUTAB

DEPRESSION

citalopram
escitalopram
fluoxetine
fluoxetine DR
fluvoxamine
fluvoxamine ER
sertraline

HEART DISEASE AND STROKE

BLOOD THINNERS

aspirin, 81 mg* & 325 mg
aspirin/dipyridamole ER
BRILINTA
clopidogrel
dabigatran
dipyridamole
DURLAZA ER
ELIQUIS
jantoven
warfarin
XARELTO
ZONTIVITY

(over, please)

2024 Nevada Public Employees Benefit Program Preventive Medications List

CHOLESTEROL LOWERING

HMG-COA REDUCTASE INHIBITORS*

ATORVALIQ
atorvastatin
FLOLIPID suspension
fluvastatin
LIVALO
lovastatin
pravastatin
rosuvastatin
simvastatin
ZYPITAMAG

OTHER CHOLESTEROL LOWERING AGENTS

colesevelam
ezetimibe
ezetimibe/simvastatin
NEXLETOL
NEXLIZET
NIACOR
niacin
ROSZET

HIGH BLOOD PRESSURE (HBP)

ACE INHIBITORS

captopril
fosinopril
moexipril
perindopril
trandolapril

ACE INHIBITORS/DIURETIC COMBINATIONS

captopril/HCTZ
fosinopril/HCTZ

ANGIOTENSIN II RECEPTOR ANTAGONISTS

candesartan
eprosartan
irbesartan
losartan
olmesartan
telmisartan
valsartan

ANGIOTENSIN II RECEPTOR ANTAGONISTS/DIURETIC COMBINATIONS

candesartan/HCTZ
irbesartan/HCTZ
losartan/HCTZ
olmesartan/HCTZ
telmisartan/HCTZ
valsartan/HCTZ

BETA BLOCKERS

acebutolol
betaxolol
bisoprolol
metoprolol succinate ER
nebivolol
pindolol
propranolol
propranolol ER
timolol

BETA BLOCKER/DIURETIC COMBINATIONS

metoprolol/HCTZ
propranolol/HCTZ

TENORETIC

(atenolol/chlorthalidone)

CALCIUM CHANNEL BLOCKERS

amlodipine
felodipine ER
isradipine
nicardipine
nifedipine
SULAR ER (nisoldipine ER)
TIAZAC ER (diltiazem ER, tiadylt ER,
tazia XT)
verapamil
verapamil ER

DIURETICS

chlorthalidone
DIURIL suspension
hydrochlorothiazide
indapamide
metolazone

OTHER HBP & COMBINATIONS

amlodipine/benazepril
amlodipine/olmesartan
amlodipine/olmesartan/HCTZ
amlodipine/telmisartan
amlodipine/valsartan
amlodipine/valsartan/HCTZ
Blood pressure monitors
PRESTALIA
trandolapril/verapamil ER)

MALARIA

ARAKODA
chloroquine
mefloquine

MISC ANTIVIRALS

APRETUDE*
BEYFORTUS
DESCOVY*
emtricitabine/ tenofovir disoproxil
fumarate (TDF) 200mg/300mg*
PREVYMIS
SYNAGIS

OBESITY

benzphetamine
diethylpropion
diethylpropion ER
phendimetrazine
phendimetrazine ER

SMOKING-CESSATION*

bupropion SR 150mg
CHANTIX (varenicline)
NICOTROL
NICOTROL NS

2024 Nevada Public Employees Benefit Program Preventive Medications List

VACCINATION*

Anthrax, BCG, Cholera, COVID-19,
Diphtheria, Haemophilus Influenza
B, Hepatitis A and B, Human
Papillomavirus, Influenza, Japanese
Encephalitis, Measles, Meningococcal,
Monkey/smallpox, Mumps, Pertussis,
Pneumococcal, Poliovirus, Rabies,
Respiratory syncytial virus, Rotavirus,
Rubella, Shingles, Tetanus, Tick-borne
encephalitis, Typhoid, Varicella,
Yellow Fever, Zoster

VITAMINS OR MINERALS

Folic acid*
Prenatal vitamins
Pediatric multivitamins with
fluoride*

*Please note that some of these medications are also subject to the Affordable Care Act (ACA) and may be covered by your plan at 100%.

Express Scripts manages your prescription benefit for your employer, plan sponsor, or health plan. For specific questions on coverage, please call the phone number on your member ID card or visit our website [express-scripts.com](https://www.express-scripts.com).

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ATTACHMENT KK

A PROPOSAL TO PROVIDE PHARMACY BENEFIT MANAGEMENT SERVICES NEVADA PEBP

2/29/2024

All of the materials in this proposal and any materials subsequently disclosed in any media form that relate to this proposal ("Proposal Materials") are confidential and the sole and exclusive proprietary property of Express Scripts, and all rights, titles and interests are vested in Express Scripts. The Proposal Materials are provided to Sponsor for its exclusive use, and for the sole purpose, to evaluate Express Scripts prescription-drug program. The Proposal Materials may not be distributed, copied or made available for review or use to any other party. If you use any consultant or other party to review the Proposal Materials, you may divulge the Proposal Materials to them on the condition that each recipient agrees to be bound by the restrictions Express Scripts has placed on the use and disclosure of the Proposal Materials. This disclaimer is applicable to any recipient assisting or participating in the evaluation of these Proposal Materials on behalf of Sponsor.

EXHIBIT A

PRICING TERMS AND PHARMACY PROGRAM FEES

Exhibit A-1

Claims Reimbursement Rates

Exhibit A-2

Rebates

FINANCIAL DISCLOSURE TO ESI PBM CLIENTS

This disclosure provides an overview of the principal revenue sources of Express Scripts, Inc. and Medco Health Solutions, Inc. (individually and collectively referred to herein as “ESI”), as well as ESI’s affiliates. In addition to administrative and dispensing fees paid to ESI by our clients for pharmaceutical benefit management (“PBM”) services, ESI and its affiliates derive revenue from other sources, including arrangements with pharmaceutical manufacturers, wholesale distributors, and retail pharmacies. Some of this revenue relates to utilization of prescription drugs by members of the clients receiving PBM services. ESI may pass through certain manufacturer payments to its clients or may retain those payments for itself, depending on the contract terms between ESI and the client.

Relationship with The Cigna Group. On December 20, 2018, ESI’s parent company, Express Scripts Holding Company, was acquired by The Cigna Group.

Relationship with Evernorth Health, Inc. Evernorth Health, Inc., a wholly-owned subsidiary of The Cigna Group, is the parent company of ESI.

Network Pharmacies – ESI contracts for its own account with retail pharmacies to dispense prescription drugs to client members. Rates paid by ESI to these pharmacies may differ among networks (e.g., Medicare, Worker’s Comp, open and limited), and among pharmacies within a network, and by client arrangements. PBM agreements generally provide that a client pays ESI an ingredient cost, plus dispensing fee, for drug claims. If the rate paid by a client exceeds the rate contracted with a particular pharmacy, ESI will realize a positive margin on the applicable claim. The reverse also may be true, resulting in negative margin for ESI. ESI also enters into pass-through arrangements where the client pays ESI the actual ingredient cost and dispensing fee amount paid by ESI for the particular claim when the claim is adjudicated to the pharmacy. In addition, when ESI receives payment from a client before payment to a pharmacy, ESI retains the benefit of the use of the funds between these payments. ESI may maintain non-client specific aggregate guarantees with pharmacies and may realize positive margin. ESI may charge pharmacies standard transaction fees to access ESI’s pharmacy claims systems and for other related administrative purposes. ESI may also maintain certain preferred value or quality networks; pharmacies participating in those networks may pay or receive aggregated payments related to these networks.

Brand/Generic Classifications – Prescription drugs may be classified as either a “brand” or “generic;” however, the reference to a drug by its chemical name does not necessarily mean that the product is recognized as a generic for adjudication, pricing or copay purposes. For the purposes of pharmacy reimbursement, ESI distinguishes brands and generics through a proprietary algorithm (“BGA”) that uses certain published elements provided by First DataBank (FDB), a third-party vendor, including price indicators, Generic Indicator, Generic Manufacturer Indicator, Generic Name Drug Indicator, Innovator, Drug Class and abbreviated new drug application (ANDA). The BGA uses these data elements in a hierarchical process to categorize the products as brand or generic. The BGA also has processes to resolve discrepancies and prevent “flipping” between brand and generic status due to price fluctuations and marketplace availability changes. The elements listed above and sources are subject to change based on the availability of the specific fields. Updated summaries of the BGA are available upon request. Brand or generic classification for client reimbursement purposes is either based on the BGA or specific code indicators from Medi-Span, a third-party vendor, or a combination of the two as reflected in the client’s specific contract terms. Application of an alternative methodology based on specific client contract terms does not affect ESI’s application of its BGA for ESI’s other contracts.

Maximum Allowable Cost (“MAC”)/Maximum Reimbursement Amount (“MRA”) – As part of the administration of the PBM services, ESI maintains a MAC List of drug products identified as requiring pricing management due to the number of manufacturers, utilization and/or pricing volatility. The criteria for inclusion on the MAC List are based on whether the drug has readily available generic product(s), is generally equivalent to a brand drug, is cleared of any negative clinical implications, and has a cost basis that will allow for pricing below brand rates. ESI also maintains MRA price lists for drug products on the MAC List based on current price reference data provided by MediSpan or other nationally recognized pricing sources, market pricing and availability information from generic manufacturers and on-line research of national wholesale drug company files, and client arrangements. Similar to the BGA, the elements listed above and sources are subject to change based on the availability of the specific fields. Updated summaries of the MAC methodology are available upon request.

Manufacturer Programs Formulary Rebates, Associated Administrative Fees, and PBM Service Fees – ESI contracts with manufacturers and/or group purchasing organizations (“GPOs”) for its own account to obtain formulary rebates attributable to the utilization of certain drugs and supplies. Formulary rebate amounts received vary based on client specific utilization, the volume of utilization as well as formulary position applicable to the drug or supplies, and adherence to various formulary management controls, benefit design requirements, claims volume, and other similar factors, and in certain instances also may vary based on the product’s market-share. ESI pays formulary rebates it receives to a client based on the client’s PBM agreement terms and may realize positive margin. In addition, ESI provides administrative services to contracted manufacturers, which include, for example, maintenance and operation of systems and other infrastructure necessary for invoicing and processing rebates, pharmacy discount programs, access to drug utilization data, as allowed by law, for purposes of verifying and evaluating applicable payments, and for other purposes related to the manufacturer’s products. ESI receives administrative fees directly from participating manufacturers and indirectly from GPOs. In its capacity as a PBM company, ESI may receive other compensation from manufacturers for the performance of various programs or services, including, for example, formulary compliance initiatives, clinical services, therapy management services, education services,

inflation protection programs, medical benefit management services, cost containment programs, discount programs, and the sale of non-patient identifiable claim information. This compensation is not part of the formulary rebates or associated administrative fees, and ESI may realize positive margin between amounts paid to clients and amounts received. ESI retains the financial benefit of the use of any funds held until payment is made to the client.

Copies of ESI's standard formularies may be reviewed at <https://www.controlcenter.com/>.

Third Party Offerings - ESI partners with multiple third party vendors to provide clinical programs and other product offerings to clients. ESI may have an ownership interest in certain third party vendors.

ESI Subsidiary Pharmacies – ESI has several licensed pharmacy subsidiaries, including our specialty pharmacies. These entities may maintain product purchase discount arrangements and/or fee-for-service arrangements with pharmaceutical manufacturers, wholesale distributors, and other health care providers. These subsidiary pharmacies contract for these arrangements on their own account in support of their various pharmacy operations. Many of these subsidiary arrangements relate to services provided outside of PBM arrangements, and may be entered into irrespective of whether the particular drug is on one of ESI's national formularies. Discounts and fee-for-service payments received by ESI's subsidiary pharmacies are not part of the PBM formulary rebates or associated administrative fees paid to ESI in connection with ESI's PBM formulary rebate programs. However, certain purchase discounts received by ESI's subsidiary pharmacies, whether directly or through ESI, may be considered for formulary purposes if the value of such purchase discounts is used by ESI to supplement the discount on the ingredient cost of the drug to the client based on the client's PBM agreement terms. From time to time, ESI and its affiliates also may pursue and maintain for its own account other supply chain sourcing relationships not described below as beneficial to maximize ESI's drug purchasing capabilities and efficiencies, and ESI or affiliates may realize an overall positive margin with regard to these initiatives.

The following provides additional information regarding examples of ESI subsidiary discount arrangements and fee-for-service arrangements with pharmaceutical manufacturers, and wholesale distributors:

ESI Subsidiary Pharmacy Discount Arrangements – ESI subsidiary pharmacies purchase prescription drug inventories, either from manufacturers or wholesalers, for dispensing to patients. Often, purchase discounts off the acquisition cost of these products are made available by manufacturers and wholesalers in the form of either up-front discounts or retrospective discounts. These purchase discounts, obtained through separate purchase contracts, are not formulary rebates paid in connection with our PBM formulary rebate programs. Drug purchase discounts are based on a pharmacy's inventory needs and, at times, the performance of related patient care services and other performance requirements. When a subsidiary pharmacy dispenses a product from its inventory, the purchase price paid for the dispensed product, including applicable dispensing fees, may be greater or less than that pharmacy's acquisition cost for the product net of purchase discounts. In general, our pharmacies realize an overall positive margin between the net acquisition cost and the amounts paid for the dispensed drugs.

ESI Subsidiary Fee-For-Service Arrangements – One or more of ESI's subsidiaries, including, but not limited to, its subsidiary pharmacies also may receive fee-for-service payments from manufacturers, wholesalers, or other health care providers in conjunction with various programs or services, including, for example, patient assistance programs for indigent patients, dispensing prescription medications to patients enrolled in clinical trials, various therapy adherence and fertility programs, administering FDA compliance requirements related to the drug, 340B contract pharmacy services, product reimbursement support services, and various other clinical or pharmacy programs or services. As a condition to having access to certain products, and sometimes related to certain therapy adherence criteria or FDA requirements, a pharmaceutical manufacturer may require a pharmacy to report selected information to the manufacturer regarding the pharmacy's service levels and other dispensing-related data with respect to patients who receive that manufacturer's product. A portion of the discounts or other fee-for-service payments made available to our pharmacies may represent compensation for such reporting.

Other Manufacturer Arrangements – ESI also maintains other lines of business that may involve discount and service fee relationships with pharmaceutical manufacturers and wholesale distributors. Examples of these businesses include a wholesale distribution business, group purchasing organizations (and related group purchasing organization fees), and a medical benefit management company. Compensation derived through these business arrangements is not considered for PBM formulary placement, and is in addition to other amounts described herein. These service fees are not part of the formulary rebates or associated administrative fees.

Third Party Data Sales – Consistent with any client contract limitations, ESI or its affiliates may sell HIPAA compliant information maintained in their capacity as a PBM, pharmacy, or otherwise to data aggregators, manufacturers, or other third parties on a fee-for-service basis or as a condition of discount eligibility. All such activities are conducted in compliance with applicable patient and pharmacy privacy laws and client contract restrictions.

November 6, 2023

THIS EXHIBIT REPRESENTS ESI'S FINANCIAL POLICIES. ESI MAY PERIODICALLY UPDATE THIS EXHIBIT AND THE FINANCIAL DISCLOSURES CONTAINED HEREIN TO REFLECT CHANGES IN ITS BUSINESS PROCESSES; THE CURRENT FINANCIAL DISCLOSURE IS AVAILABLE UPON REQUEST AND ACCESSIBLE ON [HTTPS://WWW.EXPRESS-SCRIPTS.COM/CORPORATE](https://www.express-scripts.com/corporate) AND [HTTPS://WWW.CONTROLCENTER.COM/](https://www.controlcenter.com/).