

EncircleRx Cardiometabolic Program Terms & Conditions



Definitions

- “Cost Capitation” means a percentage cap on the year over year increase of the Program Product spend per Program Year.
- “EncircleRx Benefit Requirements” means the benefit design and policy requirements set forth in ESI’s EncircleRx clinical policy, which ESI shall provide to Sponsor upon Sponsor’s request.
- “EncircleRx Cardiometabolic Program” means the ESI program to manage GLP-1 medications that address weight management and/or Diabetes which, includes utilization management, demonstrated patient engagement, Diabetes diagnosis documentation, and GLP-1 anti-fraud protection components.
- “EncircleRx Program” or “EncircleRx” means the ESI suite of value-based solutions consisting of the following:
 - EncircleRx Cardiometabolic Program
- “Program Products” means those products listed on the each individual EncircleRx Program product list, which can be provided to Sponsor upon request. The EncircleRx Program product lists may be updated from time to time by ESI. Only products with a labeled indication for the treatment of a disease state covered within the EncircleRx Program (i.e. diabetes in EncircleRx Cardiometabolic Program) or products with significant clinical documentation supporting their use in the treatment of that disease state may be included as a EncircleRx Program Product. Newly launched products with a labeled indication for the treatment of disease states within each EncircleRx Program may be added to the EncircleRx solution products list.
- “Program Product Spend” means the total ingredient cost plus dispensing fee for Program Products minus percentage of Rebates and Manufacturer Admin Fees shared for a Program Year divided by the average monthly Member count during a Program Year.
- “Program Year” means a full one (1) year from the Effective Date on the EncircleRx Service Addendum (i.e. Clinical Addendum”).
- Capitalized terms used but not defined herein will have the meanings given those terms in the PBM Agreement between Sponsor and ESI.

General Terms

- Sponsor’s enrollment in the EncircleRx Program will be effective on the enrollment date, unless otherwise communicated by ESI. Sponsor’s enrollment in the EncircleRx Program will continue until such time as Sponsor affirmatively disenrolls from participation in individual value-based solutions within the EncircleRx Program by sending written notice to ESI of Sponsor’s desire to disenroll ESI or until such time



as either ESI is no longer providing PBM Services to Sponsor or ESI discontinues a value-based solution within the EncircleRx Program. For the sake of clarity, if Sponsor and ESI enter into a new PBM Agreement, Sponsor's participation in the EncircleRx Program will continue until such time as Sponsor affirmatively disenrolls from participation in the EncircleRx Program by sending written notice to ESI, irrespective of any provision of the new PBM Agreement to the contrary. Any written notice of disenrollment from the EncircleRx Program by Sponsor will be effective within 60 days after ESI receives such notice. If Sponsor's PBM Agreement with ESI is terminated and is not renewed, Sponsor's enrollment in the EncircleRx Program will cease upon the termination date of the PBM Agreement.

- Sponsor acknowledges and agrees that during the course of providing the EncircleRx Program, ESI will collaborate with third party vendors. Those vendors will have access to patient specific information, including protected health information, and will be subject to an appropriate business associate agreement.
- Sponsor agrees that ESI may contact Sponsor's Members (including via electronic means) to discuss the EncircleRx Program and ask the Members to enroll in ESI's digital communication initiatives, including the ESI mobile application.
- Sponsor agrees that ESI may share Sponsor's Member contact information (including electronic addresses) with EncircleRx Program vendor(s), allowing EncircleRx Program vendors to contact Sponsor's Members to enroll in EncircleRx Programs and otherwise communicate regarding the EncircleRx Program's services.
- Sponsor understands that it is responsible for ensuring that the enrolled value-based solutions comply with applicable laws in its jurisdiction and that plan documents are updated as necessary to be consistent with the terms of the EncircleRx Program.
- As consideration for the services rendered under the EncircleRx Program, Sponsor will pay a per Member per month administrative fee as communicated by ESI to Sponsor. This administrative fee will be billed to Sponsor in accordance with the terms of Sponsor's Agreement.
- ESI reserves the right to terminate or modify the EncircleRx Program or individual value-based solutions at any time upon no less than 30 days written notice to Sponsor.
- ESI has structured the terms of the EncircleRx Program to comply with certain exceptions and safe harbors to the Federal Anti-Kickback Statute (42 U.S.C. §1320a-7b(b)), including the discount exception (42 U.S.C. § 1320a-7b(b)(3)(A) and safe harbor (42 C.F.R. § 1001.952(h)). ESI will treat any reimbursement made to Sponsor hereunder as retrospective discounts on the price of the product paid by Sponsor. ESI will fully and accurately report such discounts on the payment information submitted to Sponsor. ESI hereby informs Sponsor that it may be required by law to properly disclose and appropriately reflect (in any costs claimed or charges made) all such discounts. Further, ESI will refrain from taking any action that would impede or frustrate Sponsor in any such disclosure requirements. If required by law, Sponsor may be required to provide information on the discount to the Secretary of Health and Human Services, or any state or other governmental agency, upon request. ESI will comply with all applicable reporting and disclosure obligations.



- Claims for which Sponsor overrides the applicable utilization management criteria will be excluded from all components of the EncircleRx Program.
- In the event Sponsor disenrolls from an EncircleRx Program solution at any time during the Program Year, Sponsor will no longer be eligible for the minimum guarantee.
- Sponsor agrees that nothing in the EncircleRx Program is designed or intended to vest ESI with discretionary authority over the control of Sponsor's plan assets or otherwise vest ESI with fiduciary status with respect to Sponsor's plan(s).
- As defined by these terms the EncircleRx Program is auditable through the standard audit protocols in the Agreement.
- Program Products will be excluded from all Rebate guarantees in the PBM Agreement.
- To be eligible for the EncircleRx financial guarantee, clients managing their own PA reviews must demonstrate a PA approval rate no greater than 2% higher than the EncircleRx approval rate managed by ESI.

Enrollment

Sponsor chooses to enroll in the solution below:

- ✓ EncircleRx Cardiometabolic Program

Cardiometabolic

The EncircleRx Cardiometabolic Program is ESI's program to manage GLP-1 medications that address weight management and Diabetes which includes utilization management, EncircleRx Benefit Requirements, GLP-1 anti-fraud protection, and demonstrated patient engagement with lifestyle program requirements.

Utilization Management

- Sponsor agrees that EncircleRx Benefit Requirements will be implemented for EncircleRx Cardiometabolic Program Products.

Demonstrated Patient Engagement

- Sponsor must enroll in one of ESI's lifestyle programs. If Sponsor is not already enrolled in a lifestyle program, Sponsor accepts and agrees to the additional lifestyle program terms and conditions, as may be modified from time to time, found here: [Lifestyle Program Terms and Conditions](#).
- In the event of a conflict between the terms and conditions of the EncircleRx Program and any other lifestyle program which Sponsor is enrolled in, the EncircleRx Program terms and conditions will prevail.

GLP-1 Anti-Fraud Protection

- EncircleRx includes ESI's GLP-1 Anti-Fraud Protection solution, which includes the following components:

- Targeted analytics to identify prescriber and member fraud, waste and abuse concerns
- Proactive and targeted prescriber outreach to bring awareness and to mitigate risk for inappropriate prescribing or use of GLP-1 medications
- Full investigation of identified outliers, including interviews and data analysis to substantiate or disprove allegation
- Proactive provider exclusion of inappropriate prescribers

• ESI may obtain additional information to enable and operate the GLP-1 Anti-Fraud Protection solution including, but not limited to, data associated with medical diagnoses for diabetic, cardiac, and obesity conditions information of Sponsor or ESI. Sponsor acknowledges and agrees that such information may be collected by or disclosed to subsidiaries of ESI to enable and operate this solution. ESI may use information or data collected for participation in the GLP-1 Anti-Fraud Protection solution, including information collected from third parties and ESI subsidiaries, to administer the program, to contact participants in the program to support their participation, for the purpose of performing outcomes and/or opportunity analyses, for health, safety and wellness programs, pharmacy benefit plan administration, administration of other programs that Sponsor may enroll in, including but not limited to EncircleRx Cardiometabolic Program and other similar programs, practice of pharmacy and other analytics to improve Sponsor's performance, performing analytics for the development and improvement of programs offered by ESI, and for assessing the effectiveness of ESI programs, of which results may be provided by ESI to other Sponsors, potential Sponsors or healthcare organizations, including pharmaceutical companies. Results provided to third parties must be provided on a de-identified basis.

• Sponsor acknowledges and agrees that it is solely responsible for ensuring that its implementation of enhanced GLP-1 Anti-Fraud Protection solution complies with any applicable law.

• ESI reserves the right to terminate or modify enhanced GLP-1 Anti-Fraud Protection solution at any time.

Cardiometabolic Savings Guarantee

• In order to qualify for the Diabetes savings guarantee, Sponsor must be enrolled in the Diabetes component of the EncircleRx Cardiometabolic Program. In order to qualify for the Weight Loss Savings Guarantee, Sponsor must be enrolled in the weight loss component of the EncircleRx Cardiometabolic Program and elect the savings guarantees instead of the cost capitation.

• Provided Sponsor participates in EncircleRx Cardiometabolic Program for at least 12 consecutive months, ESI guarantees Sponsor the following pharmacy cost savings attributable to the EncircleRx Cardiometabolic Program:

- Diabetes Savings Guarantee: ESI guarantees Sponsor will achieve savings equal to or greater than 3 times the EncircleRx Cardiometabolic Program fees paid by Sponsor.
- Weight Loss Savings Guarantee: ESI guarantees Sponsor will achieve savings equal to or greater than 3 times the EncircleRx Cardiometabolic Program fees paid by Sponsor.

• ESI will provide annual program-specific reports to validate savings generated and annual review and settlement of guarantee performance. Sponsor shall be reimbursed 100% of any savings guarantee

shortfall, determined on an annual basis. A full description of the clinical savings methodology can be provided to Sponsor upon request.



Cardiometabolic Cost Capitation

- In order to qualify for the Cost Capitation, Sponsor: (i) must be enrolled in weight loss component of the EncircleRx Cardiometabolic Program; (ii) must have covered weight loss GLP-1s prior to enrolling in the EncircleRx Cardiometabolic Program; and (iii) must have a minimum of 1000 Members enrolled in the weight loss component of the EncircleRx Cardiometabolic Program.
- The EncircleRx Cardiometabolic Program Cost Capitation will be communicated by ESI to Sponsor.
- Only utilization of EncircleRx Products while Sponsor is enrolled in the EncircleRx Cardiometabolic Program will count towards the Cost Capitation. Only utilization of EncircleRx Products while the Member is covered by Sponsor's plan will count towards the Cost Capitation. Only EncircleRx Products that adjudicate through the pharmacy benefit will be included in the EncircleRx Cardiometabolic Program spend calculation.
- ESI will provide Sponsor with a credit, dollar for dollar, to the extent that Sponsor's actual, aggregate Program Product Spend exceeds the Cost Capitation. ESI will determine if the Cost Capitation is exceeded by comparing the Program Product Spend of the applicable Program Year to Program Product Spend of the previous twelve (12) month period. Any credit paid to Sponsor under this section will not exceed the total EncircleRx Program fees paid by Sponsor for the applicable Program Year.
- Any changes to Sponsor's plan, formulary, benefit design, or any increase or decrease of Sponsor's membership enrolled in the weight loss component of the EncircleRx Cardiometabolic Program by 10% may result in an adjustment to Sponsor's EncircleRx Cardiometabolic Cost Capitation, including but not limited to ineligibility for the EncircleRx Cardiometabolic Cost Capitation. The Cost Capitation may be adjusted by ESI if there are significant changes to FDA approved label or guidelines for treatment for EncircleRx Products. If Sponsor becomes ineligible for the EncircleRx Cardiometabolic Cost Capitation or disenrolls from the EncircleRx Cardiometabolic Program (including by terminating the PBM Agreement) during the Measurement Period, Sponsor will not receive any proration of the EncircleRx Cardiometabolic Cost Capitation.