



# BlueCross BlueShield of Texas

County of El Paso	
Effective Date:	01/01/2025
Members:	3,500
Employees:	2,400

E - CUSTOM TRADITIONAL PRICING	
Contract Period	Traditional Select
BRAND DISCOUNTS	
Retail Network	
1/1/2025 to 12/31/2025	20.25%
1/1/2026 to 12/31/2026	20.30%
1/1/2027 to 12/31/2027	20.35%
1/1/2028 to 12/31/2028	20.40%
1/1/2029 to 12/31/2029	20.45%
Extended Supply Network (ESN) - 90 Day Channel	
1/1/2025 to 12/31/2025	25.00%
1/1/2026 to 12/31/2026	25.05%
1/1/2027 to 12/31/2027	25.10%
1/1/2028 to 12/31/2028	25.15%
1/1/2029 to 12/31/2029	25.20%
Exclusive Mail	
1/1/2025 to 12/31/2025	25.00%
1/1/2026 to 12/31/2026	25.00%
1/1/2027 to 12/31/2027	25.00%
1/1/2028 to 12/31/2028	25.00%
1/1/2029 to 12/31/2029	25.00%
GENERIC DISCOUNTS	
Retail Network	
1/1/2025 to 12/31/2025	85.00%
1/1/2026 to 12/31/2026	85.10%
1/1/2027 to 12/31/2027	85.20%
1/1/2028 to 12/31/2028	85.30%
1/1/2029 to 12/31/2029	85.40%
Extended Supply Network (ESN) - 90 Day Channel	
1/1/2025 to 12/31/2025	88.50%
1/1/2026 to 12/31/2026	88.60%
1/1/2027 to 12/31/2027	88.70%
1/1/2028 to 12/31/2028	88.80%
1/1/2029 to 12/31/2029	88.80%
Exclusive Mail	
1/1/2025 to 12/31/2025	88.10%
1/1/2026 to 12/31/2026	88.20%
1/1/2027 to 12/31/2027	88.30%
1/1/2028 to 12/31/2028	88.40%
1/1/2029 to 12/31/2029	88.50%
BRAND DISPENSING FEES	
Retail Network	
1/1/2025 to 12/31/2025	\$0.40
1/1/2026 to 12/31/2026	\$0.40
1/1/2027 to 12/31/2027	\$0.40
1/1/2028 to 12/31/2028	\$0.40
1/1/2029 to 12/31/2029	\$0.40
Extended Supply Network (ESN) - 90 Day Channel	
1/1/2025 to 12/31/2025	\$0.00
1/1/2026 to 12/31/2026	\$0.00
1/1/2027 to 12/31/2027	\$0.00
1/1/2028 to 12/31/2028	\$0.00
1/1/2029 to 12/31/2029	\$0.00
Exclusive Mail	
1/1/2025 to 12/31/2025	\$0.00
1/1/2026 to 12/31/2026	\$0.00
1/1/2027 to 12/31/2027	\$0.00
1/1/2028 to 12/31/2028	\$0.00
1/1/2029 to 12/31/2029	\$0.00
GENERIC DISPENSING FEES	
Retail Network	
1/1/2025 to 12/31/2025	\$0.40
1/1/2026 to 12/31/2026	\$0.40
1/1/2027 to 12/31/2027	\$0.40
1/1/2028 to 12/31/2028	\$0.40
1/1/2029 to 12/31/2029	\$0.40
Extended Supply Network (ESN) - 90 Day Channel	
1/1/2025 to 12/31/2025	\$0.00
1/1/2026 to 12/31/2026	\$0.00
1/1/2027 to 12/31/2027	\$0.00
1/1/2028 to 12/31/2028	\$0.00
1/1/2029 to 12/31/2029	\$0.00
Exclusive Mail	
1/1/2025 to 12/31/2025	\$0.00
1/1/2026 to 12/31/2026	\$0.00
1/1/2027 to 12/31/2027	\$0.00
1/1/2028 to 12/31/2028	\$0.00
1/1/2029 to 12/31/2029	\$0.00



# BlueCross BlueShield of Texas

County of El Paso	
Effective Date:	01/01/2025
Members:	3,500
Employees:	2,400
AGGREGATE SPECIALTY	
Discount	
1/1/2025 to 12/31/2025	24.00%
1/1/2026 to 12/31/2026	24.00%
1/1/2027 to 12/31/2027	24.00%
1/1/2028 to 12/31/2028	24.00%
1/1/2029 to 12/31/2029	24.00%
Specialty Pharmacy Dispensing Fee	
1/1/2025 to 12/31/2025	\$0.00
1/1/2026 to 12/31/2026	\$0.00
1/1/2027 to 12/31/2027	\$0.00
1/1/2028 to 12/31/2028	\$0.00
1/1/2029 to 12/31/2029	\$0.00

## Notes:

UR-13381

- Discounts are based on the actual NDC-11 dispensed on the fill date.
- Guarantees are based upon the above selected BCBS TX Network.
- Guarantees are based upon an implemented BCBS TX Extended Supply Network (90-day retail). If not implemented, Retail rates apply.
- For the purpose of reconciliation at contract year end, discount and dispensing fee guarantees are reconciled in aggregate, as long as the contract remains in effect.
- Discount and dispensing fee rates exclude compound, long term care (LTC) pharmacy, home infusion (HI) pharmacy, veterans affairs (VA) pharmacy, Indian/tribal/urban (I/T/U) pharmacy, U.S. territory (TER) pharmacy, 340B, Medicare/Medicaid, out-of-network, member-submitted (e.g. direct member reimbursement), coordination of benefits (COB), subrogation, usual and customary (U&C) claims and non-specialty discount and dispensing fees also exclude specialty (as defined by the BCBS TX specialty drug pricing file) claims.
- For discount purposes, Specialty is defined by the BCBS TX specialty drug pricing file.
- Guarantees are based upon an exclusive specialty network arrangement.
- For discount and dispensing fees, Brand drugs are defined as drugs that have a Medi-Span multisource code field equal to "M", "N", or "O".
- For discount and dispensing fees, Generic drugs are defined as drugs that have a Medi-Span multisource code field equal to "Y".
- Unexpected generic launches and products launched at risk or under patent litigation are excluded from generic guarantees.
- Employer will be billed for retail brand and retail generic prescriptions, mail brand and mail generic prescriptions, ESN brand and ESN generic, and Specialty pharmacy claims (excluding Compound Drugs, Foreign Claims, and out-of-network claims) based on the lesser of (a) U&C or (b) PBM's adjudication rate schedule that is intended to achieve, on an aggregate annual basis, the AWP discounts and Dispensing Fees shown above (the "Employer's Contract Rates").
- Employer acknowledges and agrees that Employer's Contract Rates may vary based on market influences and as necessary to achieve the AWP discounts and Dispensing Fees shown above, on an aggregate contract year basis.
- Employer will be billed for Compound Drug claims based on the applicable discounted rate in the Network Contract.
- Aggregate Specialty discount guarantees will include new Specialty drugs brought to market and added to the specialty list during the term within 180 days of launch.



# BlueCross BlueShield of Texas

County of El Paso	
Effective Date:	01/01/2025
Members:	3,500
Employees:	2,400

E - CUSTOM TRADITIONAL PRICING	
Contract Period	Balanced
REBATES PER BRAND	
Retail Network	
1/1/2025 to 12/31/2025	\$447.00
1/1/2026 to 12/31/2026	\$494.11
1/1/2027 to 12/31/2027	\$547.27
1/1/2028 to 12/31/2028	\$598.38
1/1/2029 to 12/31/2029	\$664.43
Extended Supply Network (ESN) - 90 Day Channel	
1/1/2025 to 12/31/2025	\$1,169.64
1/1/2026 to 12/31/2026	\$1,281.84
1/1/2027 to 12/31/2027	\$1,412.43
1/1/2028 to 12/31/2028	\$1,545.62
1/1/2029 to 12/31/2029	\$1,751.92
Exclusive Mail	
1/1/2025 to 12/31/2025	\$1,035.73
1/1/2026 to 12/31/2026	\$1,149.44
1/1/2027 to 12/31/2027	\$1,252.25
1/1/2028 to 12/31/2028	\$1,346.05
1/1/2029 to 12/31/2029	\$1,459.58
Specialty	
1/1/2025 to 12/31/2025	\$4,076.67
1/1/2026 to 12/31/2026	\$4,529.46
1/1/2027 to 12/31/2027	\$5,059.39
1/1/2028 to 12/31/2028	\$5,506.29
1/1/2029 to 12/31/2029	\$5,977.53
REBATES PER EMPLOYEE PER MONTH	
1/1/2025 to 12/31/2025	\$165.26
1/1/2026 to 12/31/2026	\$182.79
1/1/2027 to 12/31/2027	\$210.48
1/1/2028 to 12/31/2028	\$239.51
1/1/2029 to 12/31/2029	\$273.07

## Notes:

UR -13381

- For rebate purposes, Specialty is defined by the BCBS TX specialty drug pricing file.
- For the purpose of reconciliation at contract year end, all rebate guarantees are reconciled in aggregate as long as the contract remains in effect.
- Compound, long term care (LTC) pharmacy, home infusion (HI) pharmacy, veterans affairs (VA) pharmacy, Indian/tribal/urban (I/T/U) pharmacy, U.S. territory (TER) pharmacy, 340b, Medicare/Medicaid, out of network, member-submitted (e.g. direct member reimbursement), coordination of benefits (COB), subrogation, vaccine, over-the-counter (OTC), and limited distribution drug (LDD) claims are excluded from rebate guarantees.
- Rebate guarantees do not reflect adjustments for CMS negotiated drug prices as outlined in the Inflation Reduction Act. In the event CMS drug price negotiations impact BCBS TX ability to meet rebate guarantees, BCBS TX reserves the right to apply a rebate credit to rebate guarantee reconciliation.
- For rebate purposes, Brand drugs are defined as all drugs that have a Medi-Span multisource code field equal to "M", "N", or "O".
- Rebates will be trued up annually to the greater of the PEPM rebate credits, per brand Rx rebate guarantees, and actual rebates.
- Rebate guarantees are inclusive of and assume WAC reduction effective 1/1/2024 due to AMP CAP. BCBS TX reserves the right to adjust the reconciliation of guarantees for any other products with a WAC decrease.



# BlueCross BlueShield of Texas

County of El Paso	
Effective Date:	01/01/2025
Members:	3,500
Employees:	2,400

E - CUSTOM TRADITIONAL PRICING	
ADMINISTRATIVE FEE	
Contract Period	Per Employee Per Month
1/1/2025 to 12/31/2025	\$0.00
1/1/2026 to 12/31/2026	\$0.00
1/1/2027 to 12/31/2027	\$0.00
1/1/2028 to 12/31/2028	\$0.00
1/1/2029 to 12/31/2029	\$0.00

## Notes:

UR -13381

- Administrative Fees will be charged at the above rate on a per employee per month basis.

## Additional Caveats:

- Guarantees are based on adoption and adherence of an above BCBS TX drug list, including associated utilization management, recommended drug list strategies, and clinical programs. BCBS TX reserves the right to make an equitable modification to the pricing terms of the agreement for the following: changes in any law or regulation, changes in interpretation of a law or regulation, changes within PBM marketplace which lead to a significant deviation from the current economic environment, unexpected market events, unexpected generic launches, authorized generic launches, biosimilar products, products launched at risk, products under patent litigation, new lower cost NDCs priced net of rebates from the innovator, products with WAC decreases, biosimilar utilization or mix being materially different from underwriting assumptions, changes in drug indications, implementation of new clinical programs, removal of existing clinical programs, changes in pharmacy benefit plan design, specialty drug pricing file, limited distribution list, or drug list changes.
- Members will pay the lower of the contracted rate, U&C, or their applicable copayment.
- BCBS TX reserves the right to equitably adjust the guarantees in the event pricing was based on incomplete data.
- Assumes client does not have 340B pricing.
- Guarantees provided does not include savings from DUR or other clinical programs.
- Specialty drugs dispensed through the medical benefit will not be included in reconciliation of guarantees.
- Guarantees assumes 33% ESN penetration, if that differs significantly, BCBS TX reserves the right to revise guarantees terms and financials.
- Guarantees assumes 2% Mail penetration, if that differs significantly, BCBS TX reserves the right to revise guarantees terms and financials.
- BCBS TX reserves the right to equitably adjust guarantees in the event that membership in high deductible (CDHP) plan increases such that CDHP membership represents greater than 10% of total membership over the course of the contract.
- BCBS TX reserves the right to equitably adjust the guarantees in the event the number of covered members or pharmacy claims volume materially changes over the course of the contract.
- Products with government mandated reimbursement, emergency use protocols, or related to Covid-19 (e.g testing, vaccines, and treatments) are excluded from guarantee reconciliation.
- Compound claims, foreign claims, invalid claims, reversed claims, and out-of-network claims are excluded from the calculation of whether the AWP discounts, Dispensing Fees, and rebates shown above have been achieved and also are excluded from the calculation of any shortfall credit for Employer.
- BCBS TX offer is based on a minimum of five-year contract term. Guarantees will not be reconciled for partial policy periods resulting from an early termination.
- The guarantee terms in this agreement are based upon the minimum enrollment and benefit design including but not limited to the network and drug list options as noted, as well as other information provided by employer to BCBS TX during the proposal process. If employer falls below the minimum enrollment, makes any changes to its plans or other changes occur, that constitute a material departure from BCBS TX underwriting assumptions based on information provided by sponsor, the parties agree to modify the terms of this agreement as of the effective date of such event/change to return BCBS TX to its relative economic position prior to such event/change.
- Starting the third quarter of the second contract year, and each contract year thereafter, employer may conduct a market check. If employer reasonably believes its current guarantees are not competitive in the market, employer will advise claim administrator of its intent to conduct a market check. Employer will retain a nationally recognized pharmacy benefits consultant to conduct the market check under confidentiality agreement. The consultant will provide an analysis of the guarantee terms that employer could obtain in the market immediately following contract year.
- The market check report will include the guarantee terms by dispensing channel and service, that a plan similar to employer in the following respects could reasonably obtain within 60 days of the request: size (employers of a similar member count and managed drug spend), similar mail penetration, generic dispensing rates, specialty program, drug mix, and formulary content and design, and size, composition, and geography of retail network. If the market check report has sufficient documentation to support that employer would realize at least one percent (1%) annual savings in the Net Plan Cost, claim administrator will have 30 days to respond to the market check report.
- "Net Plan Cost" means the sum of all amounts paid or other services provided under this agreement, less rebate amounts, financial guarantees amount, implementation allowances and any other amounts paid or payable to employer that reasonably service to reduce costs. If claim administrator agrees to the market check report savings projections, claim administrator may provide revised guarantees that meet or exceed savings identified in the market check report and the parties will enter into an appropriate amendment reflecting the agreed revised terms, to be effective the first month of the following contract year. The parties may enter into an appropriate amendment reflecting such revised terms.
- Members' cost share is the applicable copayment, deductible, and/or coinsurance, which coinsurance is calculated based on Employer's Contracted Rates or the applicable out-of-network pricing. Zero balance logic is not employed.
- Employer Payments to Claim Administrator for Covered Services provided by Network Participants are calculated based on the pricing terms set forth in this Addendum which shall remain in effect for the term of this Addendum to the extent described in the Administrative Services Agreement. Such pricing may or may not equal the amounts actually paid to the Network Participants or received from drug manufacturers (e.g., rebates), or the amounts paid or received between Claim Administrator and the PBM. As a result, the PBM or Claim Administrator may realize positive margin on prescriptions filled at retail, mail order, ESN or specialty pharmacies or prescription drug rebates. Employer acknowledges that it has negotiated for the specific traditional pricing terms set forth in this Addendum, and that it and its group health plan have no right to, or legal interest in, any portion of any positive margin retained by Claim Administrator or PBM and consents to Claim Administrator's and PBM's retention of all such amounts.
- Employer will be billed for Foreign Claims in an amount based on the amount billed by the pharmacy.
- Employer will be billed for out-of-network claims based on the pricing set forth in the Administrative Services Agreement and/or PBM Exhibit, as applicable.
- Guarantees will be calculated as described in this Addendum and the PBM Exhibit to the Administrative Services Agreement.
- Unless otherwise specified in this Addendum, capitalized terms used in this Addendum shall have the meanings set forth in the Administrative Services Agreement or the PBM Exhibit, as applicable.
- The pharmacy offer above is contingent on BCBS TX being the medical benefits administrator.
- Pricing includes a one-time implementation credit of \$65,000. This amount will be refunded to BCBS TX in full if the contract is terminated prior to the end of the contract period.
- Pricing includes an annual ongoing Pharmacy credit if \$25,000. This amount will be refunded to BCBS TX in full if the contract is terminated prior to the end of the contract period.

Signature of Authorized Purchaser

HCSC GEN ASO PBM Custom Fee Addendum 09/17

Blue Cross Blue Shield of Texas a Division of Health Care Service Corporation, a Mutual Legal Reserve Company, an Independent Licensee of the Blue Cross and Blue Shield Association



**BlueCross BlueShield  
of Texas**

County of El Paso	
Effective Date:	01/01/2025
Members:	3,500
Employees:	2,400

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date