

STATE OF NORTH CAROLINA

BCBSNC Contract No.

COUNTY OF WAKE

AMENDMENT NUMBER FIVE  
TO THE  
ADMINISTRATIVE SERVICES AGREEMENT

THIS AMENDMENT ("Amendment"), is made and entered into as of the 1st day of June, 2009, by and between the North Carolina State Health Plan for Teachers and State Employees ("Plan") and Blue Cross and Blue Shield of North Carolina ("BCBSNC") (each, a Party and collectively, the Parties), and amends the Administrative Services Agreement, dated the 28<sup>th</sup> day of February 2006, ("Agreement").

WITNESSETH

THAT WHEREAS, the Parties have entered into the Agreement to provide claims processing services; and

WHEREAS, the Parties may amend the Agreement, pursuant to Paragraph 18.1 of the Agreement; and

WHEREAS, the provision of Clinical Pharmacy Services has been performed; and

WHEREAS, the Parties wish to continue the provision of Clinical Pharmacy Services.

NOW, THEREFORE, in consideration of the mutual agreement and conditions contained herein, the parties agree as follows:

1. The Contractor will provide one dedicated clinical pharmacist to provide pharmacy services to the Plan. The clinical pharmacist must be approved by the Plan, and shall be provided office space by the Plan.
2. The clinical pharmacist will provide the Clinical Pharmacy Services as provided in the attached State Health Plan Clinical Pharmacist Position Description, Attachment A.
3. The clinical pharmacist has executed a Confidentiality Agreement with the Plan and agrees to otherwise adhere to all the confidentiality and privacy terms and conditions of the Contract and the Business Associate Agreement between the Plan and the Contractor.

4. Payment for the Clinical Pharmacy Services shall be pursuant to and included in the Plan's Per Member Per Month ("PMPM") payments to the Contractor in accordance with Section 4 of Exhibit A to the Contract.
5. Termination. Either Party may terminate this Amendment Five by providing 60 days prior written notice to the other Party of its intention to so terminate this Amendment.
6. Unchanged Provisions. The Parties acknowledge that the terms and conditions of this Amendment are incorporated by reference into the terms and conditions of the Agreement as though originally a part thereof, and to the extent that the terms and conditions of the Agreement are not negated or otherwise modified by this Amendment, such terms and conditions shall remain in full force and effect.
7. Counterparts. The Parties may execute this Amendment in counterparts, which shall, in the aggregate, when signed by both parties constitute one and the same instrument, and, thereafter, each counterpart shall be deemed an original instrument as against any Party who has signed it.

[EXECUTION PAGE FOLLOWS]

IN WITNESS WHEREOF, the Parties have caused their duly authorized representatives to execute this Amendment as of the date first above written.

The Plan and the Contractor have executed this Amendment in triplicate originals, one of which is retained by the Contractor and two by the Plan, the day of the year first above written.

**The State Health Plan for Teachers and State Employees**

By: Jack W. Walker, Ph.D.

Signature: Jack W. Walker

Title: Executive Administrator

Date: June 5, 2009

Witness: Jamaine Muck

Date: 6.5.09

**Blue Cross Blue Shield of North Carolina**

By: Carol R. Sutton

Signature: Carol R. Sutton

Title: Vice President of State Operations

Date: 6/5/09

Witness: Jan P. [Signature]

Date: 6/5/09

## ATTACHMENT A

### State Health Plan Clinical Pharmacist Position Description

#### PRIMARY FUNCTION/PURPOSE:

This position provides leadership and support for the Pharmacy Benefits Administration of the Plan and medication-related aspects of Integrated Health Management. The position will work closely with Plan Leadership, Medical Director and the Pharmacy Work Group to develop pharmacy strategy, based on clinical knowledge, market information, and plan utilization and financial data, which will improve care for members and cost effectiveness. Working in multidisciplinary teams, the position will develop, implement, and monitor programs to fulfill the strategy.

#### DUTIES AND RESPONSIBILITIES:

##### Strategic Planning

- Develop strategic options for the prescription drug benefit and the specialty pharmacy benefit in concert with overall benefit design and integrated health management. Participate in the Plan strategic planning process.

##### Pharmacy Benefit Management and Drug Utilization Management

- Provide leadership and direction for Pharmacy Work Group comprised of Medical Director, Director of Pharmacy Benefits, Integrated Health Management representative and PBM's Clinical Account Executive (Medco)
- Serve as pharmacy liaison between the Plan and PBM and also between the Plan and Claims Processor.
- Review and analyze Pharmacy utilization data provided by the Plan's Pharmacy Benefit Manager and develop appropriate cost and quality management programs for recommendation to Plan' leadership.
- Develop Pharmacy "dashboard" reporting with data warehouse and assist in preparing cost analysis and savings reports.
- Develop programs to promote OTC and generic utilization.
- Develop and implement clinical guidelines and disease management programs in coordination with the Pharmacy vendor and Integrated Health Management.
- Analyze prescribing patterns of physicians via PBM/medical claims data mining and make recommendations for provider focused interventions to decrease

utilization or increase utilization of cost-effective alternatives and for other cost-effectiveness initiatives.

- Monitor the new drug pipeline and advise the Medical Director regarding anticipatory policy and program changes.
- Develop and implement new prior approval programs for medications and assist the Medical Director in reviewing and updating of current criteria. Recommend necessary pharmacy benefit design, administrative policy, and claims process changes for the Pharmacy Benefit.
- Serve as a resource for information and direction to medical review, case management, appeals, customer service, provider contracts, and other departments as necessary for prior approval programs.
- With communications staff develop member and provider communications relating to the pharmacy programs and benefits.

#### Pharmacy and Therapeutic Committee

- Coordinate the Plan's Pharmacy and Therapeutics Committee. (The committee evaluates proposed medications for the Plan's preferred drug list for clinical appropriateness, cost-effectiveness, and member safety.)
- Develop the Committee policies, processes, and membership. Maintain relationships with members and cultivate excellent committee function.
- Develop agendas with the assistance of the Medical Director, Director of Pharmacy Benefits and the Pharmacy Work Group. Perform clinical literature researching, checking the evidence based and consensus or best practices guidelines prior to recommending to the Committee.
- Review and prepare summary drug information, cost-benefit analyses and results for pharmacy programs for the committee and assist in the presentation to the committee.
- Implement recommendations by Pharmacy and Therapeutics Committee.

#### Specialty Pharmacy

- Develop and manage the Plan's Specialty/Injectable Pharmacy Program including vendor relationships.

- Review and analyze Specialty Pharmacy utilization data provided by the Plan's Pharmacy Benefit Manager and Claims Processor and develop cost and quality management programs for recommendation to the Plan leadership.
- Develop and implement clinical guidelines and disease management programs in coordination with the Specialty Pharmacy vendor and Integrated Health Management.
- Implement and monitor new prior approval programs for Specialty medications, coordinating programs between pharmacy and medical utilization management functions.
- With the communication staff assist Specialty Pharmacy vendor in the development of member and physician communications and marketing plans.
- Develop Specialty Pharmacy "dashboard" reporting with data warehouse and assist in preparing cost analysis and savings reports.
- Analyze prescribing patterns of physicians and clinics and make recommendations to provider groups to increase utilization with Specialty vendor and other cost-effective initiatives.

## POSITION REQUIREMENTS

### Education:

- Graduation from an accredited School of Pharmacy with doctorate (Pharm.D) degree.
- North Carolina Active Pharmacist License.
- Must maintain NC State Board of Pharmacy CE Requirements for license renewals.

### Experience:

- Minimum 3 years experience in health plan pharmaceutical management.
- Minimum 3 years experience in practicing pharmacist in a clinical setting.
- Leadership or management role in Pharmacy and Therapeutics committee.
- Experience with pharmacy benefit management programs and pharmacy utilization management programs.

**Related Skills or Knowledge:**

- Demonstrated ability to work in close partnership with physician medical directors.
- Demonstrated excellence in provision of clinical pharmacy services.
- High degree of knowledge of principles and practices of professional pharmacy with emphasis on, pharmacotherapy, pharmacoconomics and outcome analysis models.
- Thorough knowledge of professional pharmacy theory, techniques, practices and procedures. Thorough knowledge of trends, current technology and standard of Pharmacy Practice.
- Knowledge of pharmacy managed care marketplace, preferably from the payor side. Working knowledge of the healthcare industry in general and specifically benefits, services, and injectable drugs.
- Ability to exercise judgment and discretion in establishing and applying a wide range of policies and procedures. Ability to plan, assign and maintain effective working relationships with other Plan staff.
- Ability to exercise judgment and discretion in communication with members, physicians, pharmacists, vendors, and the general public.
- Ability to adapt to a high growth and rapidly changing environment, characterized by the management of complex concepts and technologies.
- Good organizational skills to handle multiple priorities to operate plan programs.
- Excellent verbal and written communication skills.