

ANDREW M. CUOMO GOVERNOR

STATE OF NEW YORK DEPARTMENT OF CIVIL SERVICE ALBANY, NEW YORK 12239 www.cs.ny.gov

JERRY BOONE

December 18, 2013

Mr. Daniel S. Fewkes Senior Legal Counsel – Healthcare Services CVS Caremark 2211 Sanders Road, NBT-10 Northbrook, IL 60062

Re: Letter Amendment to C000615

Dear Mr. Fewkes:

The New York State Office of the Attorney General required several revisions to Agreement C000615 between the New York State Department of Civil Service ("DCS") and CaremarkPCS Health, L.L.C. for the administration of The Empire Plan, Excelsior Plan, and Student Employee Health Plan prescription drug plans. This Letter Amendment serves to amend only the following sections and provisions of Agreement C000615:

- 1. Any reference in the Agreement which provides that a suit or claim be brought in a court of competent jurisdiction shall mean a court of competent jurisdiction in New York State.
- 2. Section 11.1.0 of the Agreement is hereby revoked and replaced with a new Section 11.1.0 in its entirety:
 - 11.1.0 All claims data and other data related to the DCS Program is the property of the State. Upon the request of the DCS, the Contractor shall share appropriate claims data with other NYSHIP carriers, DCS consultants and the Department's DSS contractor. Except as directed by a court of competent jurisdiction in New York State, or as necessary to comply with applicable New York State or Federal law, or with the written consent of the Enrollee/Dependent, the Contractor shall not share, sell, release, or make the data available to third parties in any manner without the prior written consent of the DCS. The DCS understands that the Contractor is required to share certain claims data with pharmaceutical manufacturers for purposes of obtaining for the DCS Program all Pharma Revenue due it under the Agreement. The Contractor shall inform the DCS of the types of data being shared for these specific authorized purposes.

- 3. Section 19.2.0 of the Agreement is hereby revoked and replaced with a new Section 19.2.0 in its entirety:
 - 19.2.0 Except as directed by a court of competent jurisdiction in New York State, or as necessary to comply with applicable New York State or Federal law, or with the written consent of the Enrollee/Dependent, no records may be otherwise used or released to any party other than the DCS or its agent by the Contractor, its officers, employees, agents, consultants or Subcontractors either during the term of the Agreement or in perpetuity thereafter. Deliberate or repeated accidental breach of this provision may, at the sole discretion of the DCS, be grounds for termination of the Agreement;
- 4. Section 4.1.6b of the Agreement is hereby revoked and replaced with a new Section 4.1.6b in its entirety:
 - 4.1.6b Exhibit B: RFP Amendments and the Request for Proposals entitled "Pharmacy Benefit Services for The Empire Plan, Excelsior Plan, Student Employee Health Plan, and New York State Insurance Fund Workers' Compensation Prescription Drug Programs," and Exhibit B-1, the official Procuring Agencies response to questions raised concerning the RFP;
- 5. Section 4.1.6c of the Agreement is hereby revoked and replaced with a new Section 4.1.6c in its entirety:
 - **4.1.6c** Exhibit C: The Contractor's Proposal; and, Exhibit C-1: Written responses to the Management Interview and related materials clarifying the Contractor's Proposal as set forth in Exhibit C-3 and Table #1 Clarifying Materials as follows:

Clarification Number	Document Type	Document Components/Dates	
1	Request	Letter from Robert Kennedy to Colleen Cleveland dated May 21, 2012.	
	Response	Caremark submitted a revised Exhibit II. A – GeoAccess Report in the required reporting format.	
2	Request	Letter from Robert Kennedy to Colleen Cleveland dated May 29, 2012	
	Response	Caremark submitted a revised Exhibit I.Y.3 – Offeror's Proposed Retail Pharmacy Network File in the Excel as required along with a cover letter signed by an individual authorized to bind Caremark.	
3	Request	Letter from Robert Kennedy to Colleen Cleveland dated June 13, 2012	
	Response	Caremark submitted a revised Exhibit I.Y.3 — Offeror's Proposed Retail Pharmacy Network File with the requested additional field labeled "Pharmacy Type as required along with a cover letter signed by an individual authorized to bind Caremark	
4	Request	Letter from Robert Kennedy to Colleen Cleveland dated June 15, 2012	
	Response	Caremark submitted a revised Exhibit V.B.2 – Repricing File with the requested drugs along with a cover letter signed by an individual authorized to bind Caremark	
5	Request	Letter from Robert Kennedy to Colleen Cleveland dated July 13, 2012	
	Response		

- 6. Section 4.1.7h of the Agreement is hereby revoked and replaced with a new Section 4.1.7h in its entirety:
 - 4.1.7h Eighth, Exhibit B, RFP Amendments and the Request for Proposals entitled "Pharmacy Benefit Services for The Empire Plan, Excelsior Plan, Student Employee Health Plan and New York State Insurance Fund Workers' Compensation Prescription Drug Programs," and Exhibit B-1, the official Procuring Agencies response to questions raised concerning the RFP;
- 7. Section 4.1.7i of the Agreement is hereby revoked and replaced with a new Section 4.1.7i in its entirety:
 - **4.1.7i** Exhibit C: The Contractor's Proposal; and, Exhibit C-1: Written responses to the Management Interview and related materials clarifying the Contractor's Proposal as set forth in Exhibit C-3 and Table #1 Clarifying Materials as follows:

Clarification Number	Document Type	Document Components/Dates	
1	Request	Letter from Robert Kennedy to Colleen Cleveland dated May 21, 2012.	
	Response	Caremark submitted a revised Exhibit II. A – GeoAccess Report in the required reporting format.	
2 Request Letter from Robert Kennedy to Colleen Cleve		Letter from Robert Kennedy to Colleen Cleveland dated May 29, 2012	
	Response	Caremark submitted a revised Exhibit I.Y.3 – Offeror's Proposed Retail Pharmacy Network File in the Excel as required along with a cover letter signed by an individual authorized to bind Caremark.	
3	Request	Letter from Robert Kennedy to Colleen Cleveland dated June 13, 2012	
	Response	Caremark submitted a revised Exhibit I.Y.3 – Offeror's Proposed Retail Pharmacy Network File with the requested additional field labeled "Pharmacy Type" as required along with a cover letter signed by an individual authorized to bind Caremark.	
		Letter from Robert Kennedy to Colleen Cleveland dated June 15, 2012.	
	Response	Caremark submitted a revised Exhibit V.B.2 – Repricing File with the requested drugs along with a cover letter signed by an individual authorized to bind Caremark.	
5	Request	Letter from Robert Kennedy to Colleen Cleveland dated July 13, 2012.	
	Response		

- 8. Section 20.13.1 of the Agreement is hereby revoked and replaced with a new Section 20.13.1 in its entirety:
 - 20.13.1 Amendments: This Agreement may not be modified, nor shall any provision hereof be waived or amended, except in a writing duly signed by authorized representatives of the Parties and approved by the NYS Attorney General's Office and NYS Office of the State Comptroller. The Parties agree to take such action as is necessary to amend this Agreement from time to time as is necessary to achieve and maintain compliance with the requirements of HIPAA and its implementing regulations.

The Parties to Agreement C000615 have hereunder signed this Letter Amendment on the day and year appearing opposite their respective signatures as acknowledgement to the Letter Amendment to Agreement C000615.

NEW YORK STATE DEPARTMENT O	F CIVIL SERVICE
Date: 13/19/13	Ву:
	Name:
	Title: Commissiones
CAREMARKPCS HEALTH, L.L.C.	·
Date: 12/18/13	By:
	Name: BRUCE C LYONS
	Name: BRUCE C LYONS Title: SVN
STATE OF ILLINOIS	
COUNTY OF COOK) ss:	
who executed the above instrument, who, be say that (s)he is the Scales (s)	to me known, and known to me to be the person along duly sworn by me, did for her/himself depose and of CaremarkPCS Health, L.L.C., the which executed the above instrument; and that (s)he
signed his/her name thereto.	
	NOTARY PUBLIC
Approved as to Form:	Approved:
ERIC SCHWEIDERMAN	THOMAS P. DINAPOLI COMPTROLLED
Ву: _	By:
Date: _	Date:

1 Clarification Letter #1



ANDREW M. CUOMO

STATE OF NEW YORK DEPARTMENT OF CIVIL SERVICE ALFRED E. SMITH STATE OFFICE BUILDING ALBANY, NEW YORK 12239 WWW.SLOV.GOV

May 21, 2012

VIA ELECTRONIC MAIL & US POSTAL MAIL

Ms. Colleen Cleveland
Vice President – Proposals and Client Strategies
CaremarkPCS Health, LLC
One CVS Drive
Woonsocket, RI 02895

Dear Ms. Cleveland,

RE: State Clarification Request #1 of CaremarkPCS Health, LLC (Question 1)
New York State Request for Proposals entitled "Pharmacy Benefit
Services for The Empire Plan, Excelsior Plan, Student Employee
Health Plan and the New York State Insurance Fund Workers'
Compensation Prescription Drug Programs (RFP)
CaremarkPCS Health, LLC Proposal dated May 1, 2012

The State is in the process of evaluating the Proposals received in response to the above referenced RFP. As a result of the evaluation to date, the State has determined that additional information and darification(s) is/are required from your company which must be addressed in order for us to proceed further in our evaluation.

Clarification Subject Matter(s) Covered Under This Request

1) Administrative Proposal

This letter concerns the above referenced subject area(s).

Information/Clarification(s) Sought

As required per RFP Section III.B.5, Item "b. Offeror's GeoAccess Report to Meet Minimum Mandatory Requirements (Exhibit II.A — GeoAccess Reporting Format)" and in accordance with RFP Exhibit II.A., please submit the Geo Network Report files, for both DCS and NYSIF, in the required Geo Access Reporting Format ("rpt" file extension).

The Offeror's response(s) to this request for clarification by the New York State Department of Civil Service (DCS) must be sent using the requested Geo Access Reporting Format, contained within a CD(s) via express mail service to:

AN EQUAL OPPORTUNITY / AFFIRMATIVE ACTION EMPLOYER

New Yark State
Department of Civil Service
Mr. Robert Kennedy
Procurement Manager
Employee Benefits Division, Room 641
Alfred E. Smith State Office Building
Albany, New York 12239

Deadline for Response

Please provide the information requested no later than 5:00 p.m., Tuesday, May 24, 2012.

If you figure any questions concerning this clarification request, please contact me via small at the address provided above.

Robert Kennedy Progrement Manager

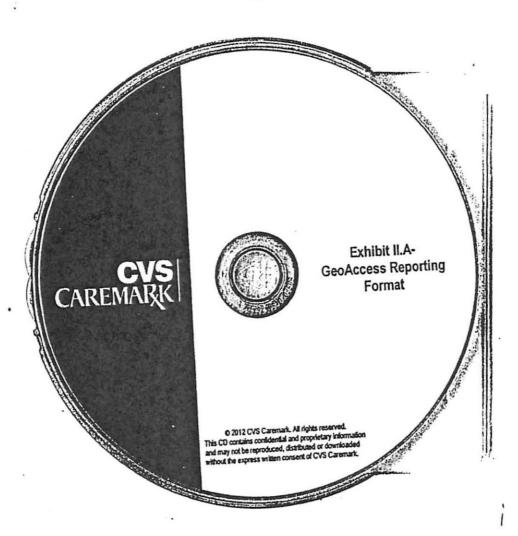
की जानन वहें हैं। जाता अनुहोत्रीने अनुहार्य एक हुए की मुंच करन की जा

4 70 1

ca T. Rosano, Esq. William Jardine Jim Fowler

3

CVS Caremark's Response to #1



,...

1 Clarification Letter #2



ANDREW M. CUOMO GOVERNOR

STATE OF NEW YORK DEPARTMENT OF CIVIL SERVICE ALFRED EL SMITH STATE OFFICE BUILDING ALBANY, 12239 WWW.GL.TY, GOV

May 29, 2012

VIA ELECTRONIC MAIL & US POSTAL MAIL

Ms. Colleen Cleveland
Vice President – Proposals and Client Strategies
CaremarkPCS Health, LLC
One CVS Drive
Woonsocket, RI 02895

Dear Ms. Cleveland,

RE: State Clarification Request #2 of CaremarkPCS Health, LLC (Question 1)

New York State Request for Proposals entitled "Pharmacy Benefit

Services for The Empire Plan, Excelsior Plan, Student Employee

Health Plan and the New York State Insurance Fund Workers'

Compensation Prescription Drug Programs (RFP)

CaremarkPCS Health, LLC Proposal dated May 8, 2012.

The State is in the process of evaluating the Proposals received in response to the above referenced RFP. As a result of the evaluation to date, the State has determined that additional information and clarification(s) is/are required from CaremarkPCS Health, LLC which must be addressed in order for the State to proceed further in its evaluation.

Clarification Subject Matter(s) Covered Under This Request

1. Administrative Proposal

This letter concerns the above referenced subject area(s).

Information/Clarification(s) Sought

Please submit Exhibit I.Y.3, "Offeror's Proposed Retail Pharmacy Network File," in Excel Format.

A cover letter on CaremarkPCS Health, LLC's letterhead, signed by an individual authorized to bind CaremarkPCS Health, LLC must accompany the regulated Bxcel file. Additionally, the cover letter must specifically state that said individual has ston authority. Further, the cover letter must state that the requested Exhibit I.Y.3., in Excel format, is identical in content to the PDF version of the Exhibit I.Y.3., which was submitted as a component of CaremarkPCS Health, LLC's Administrative Proposal dated May 8, 2012.

The Offeror's response(s) to this request for clarification by the New York State Department of Civil Service (DCS) must be sent using the requested Excel Format, contained within a CD(s) via express mail service to:

> New Yorkstate The Land District Control of the Cont Department of Civil Service Mr. Robert Kennedy Procurement Vanagor Employee Benefits Division, Room 641 Alfred E. Smith State Office Building Albany, New York 12239

Deadline for Response

Please provide the information requested no later than 5:00 p.m., Friday, June 1, 2012.

The man of the analysis of the first

If you have any questions concerning this clarification request; please contact me via email at the following email address: 2614Rx BenefitRKB@cs.state.ny.us

· 随于自己生态数据制度的100%。

Koper, Kennedy Procurement Manager

I THE BOOK SHIP IN PROPERTY OF THE PARTY OF

111 1110 i

I have the second in the second

ાં કરવાનું છે. જો જાણા મોજાવારી તેમાં લોક વાર્યાલું છ

All the state of the state of the state of

<u>्राप्त में क्ष्रामा के प्रत्या के का क्षेत्र के का क्ष्रा के किया है के किया के किया के क्ष्रा के किया के क्ष</u> .W. Jardine (GM J. Fowler (CM)

CVS Caremark's Response to #2



May 30, 2012

New York State
Department of Civil Service
Mr. Robert Kennedy
Procurement Manager
Employee Benefits Division, Room 641
Alfred E. Smith State Office Building
Albany, New York 12239

Mr. Kennedy:

On behalf of CVS Caremark, please see attached Exhibit I.Y.3 "Offeror's Proposed Retail Pharmacy Network File". The attached exhibit in Excel format is identical in content to the PDF version of the Exhibit I.Y.3, which was submitted as a component of CaremarkPCS Health, L.L.C.'s Administrative Proposal dated May 8, 2012.

Please note, this letter has been signed by Colleen Cleveland, who has been authorized to bind CaremarkPCS Health, L.L.C.

if you have any questions or require further information, please don't hesitate to contact me at colleen.cleveland@caremark.com.

Sincerely.

Collegn Cleveland
Vice President, Proposals & Client Strategies
CVS Caremark

1 Clarification Letter #3



ÄNDREW M. CUOMO

STATE OF NEW YORK DEPARTMENT OF CIVIL SERVICE ALFRED EL SMITH STATE OFFICE BUILDING ALBANY, NEW YORK 12239

June 13, 2012

VIA ELECTRONIC MAIL & US POSTAL MAIL

Ms. Colleen Cleveland
Vice President – Proposals and Client Strategies
CaremarkPCS Health, LLC
One CVS Drive
Woonsocket, Rhode Island 02895

Dear Ms. Cleveland:

Re: State Clarification Request #3 of CaremarkPCS Health, LLC (Question 1)
New York State Request for Proposals entitled "Pharmacy Benefit Services
for The Empire Plan, Excelsior Plan, Student Employee Health Plan, and
New York State Insurance Fund Workers' Compensation Prescription Drug
Programs (RFP) CaremarkPCS Health, LLC Proposal dated May 8, 2012.

The State is in the process of evaluating the Proposals received in response to the above referenced RFP. As a result of the evaluation to date, the State has determined that additional information and clarification(s) is/are required from CaremarkPCS Health, LLC which must be addressed in order for the State to proceed further in its evaluation.

Clarification Subject Matter(s) Covered Under This Request

1. Administrative Proposal

This letter concerns the above referenced subject area(s).

Information/Clarification(s) Sought

In addition to the requirements set forth in RFP Section IV.B.11.b.(2) — Retail Pharmacy Network, please re-submit the Retail Pharmacy Network file Exhibit I.Y.3, in an Excel format with an <u>additional field</u>. The requested additional field should be labeled "Pharmacy Type" and should contain unique coding differentiating between "Retail Pharmacy," "Specialty Pharmacy," "Infusion Pharmacy," and "Other."

cc: W. Jardine (CM):
J. Fowler (CM)

A cover letter on CaremarkPCS Health, LLC letterhead, signed by an individual authorized to bind CaremarkPCS Health, LLC must accompany the re-submitted Retail Pharmacy Network file. Additionally, the cover letter must specifically state that said individual has such authority.

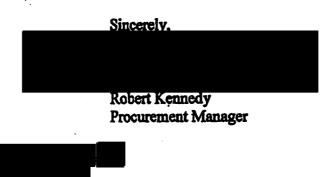
Deadline for Response

The Offeror's response to this request for clarification by the New York State Department of Civil Service (DCS) must be sent using the requested Excel format, with the additional field, contained within a CD(s) accompanied by the requested cover letter, via express mail service to:

New York State
Department of Civil Service
Mr. Robert Kennedy
Procurement Manager
Employee Benefits Division, Room 641
Alfred E. Smith State Office Building
Albany, New York 12239

The CD containing the re-submitted Retail Pharmacy Network file accompanied with the requested cover letter must be received by DCS no later than 5:00 p.m. EST, Tuesday, June 19, 2012

If you have any questions concerning this clarification request, please contact me via email at the following email address: 2014RxBenefitRFP@cs.state.ny.us



13

CVS Caremark's Response to #3



June 15, 2012

New York State
Department of Civil Service
Mr. Robert Kennedy
Procurement Manager
Employee Benefits Division, Room 641
Alfred E. Smith State Office Building
Albany, New York 12239

Mr. Kennedy:

On behalf of CVS Caremark, please see attached Exhibit I.Y.3 "Offeror's Proposed Retail Pharmacy Network File". The attached exhibit in Excel format is identical in content to the PDF version of the Exhibit I.Y.3, which was submitted as a component of CaremarkPCS Health, L.L.C.'s Administrative Proposal dated May 8, 2012.

As requested, we have added the "Pharmacy Type" field to the file. This is the only modification that has been made to the file since submitted in the original RFP response.

Please note, this letter has been signed by Colleen Cleveland, who has been authorized to bind CaremarkPCS Health, L.L.C.

If you have any questions or require further information, please don't hasitate to contact me at

Sincerely.

Vice President, Proposals & Client Strategies
CVS Caremark



1 Clarification Letter #4



ANDREW M. CUOMO

DEPARTMENT OF CIVIL SERVICE ALFRED EL SMITH STATE OFFICE BUILDING ALBANY, NEW YORK 12239 WWW.OS.107,60V

June 15, 2012

VIA ELECTRONIC MAIL & US POSTAL MAIL

Ms. Colleen Cleveland
Vice President – Proposals and Client Strategies
CaremarkPCS Health, LLC
One CVS Drive
Woonsocket, Rhode Island 02895

Dear Ms. Cleveland:

Re: State Clarification Request #4 of CaremarkPCS Health, LLC (Question 1)
New York State Request for Proposals entitled "Pharmacy Benefit Services
for The Empire Plan, Excelsior Plan, Student Employee Health Plan, and
New York State Insurance Fund Workers' Compensation Prescription Drug
Programs (RFP) CaremarkPCS Health, LLC Proposal dated May 8, 2012.

The State is in the process of evaluating the Proposals received in response to the above referenced RFP. As a result of the evaluation to date, the State has determined that additional information and clarification(s) is/are required from CaremarkPCS Health, LLC which must be addressed in order for the State to proceed further in its evaluation.

Clarification Subject Matter(s) Covered Under This Request

1. Cost Proposal (Exhibit V.B.2.)

This letter concerns the above referenced subject area(s).

Information/Clarification(s) Sought

In Caremark's repricing file Exhibit V.B.2., the below two Therapeutic Categories did not have a preferred brand drug nor a generic drug designated. The drugs listed below were all designated non-preferred except LEVITRA which was designated as an excluded drug. In the below therapeutic categories please specify which brand drug should be designated as preferred, if any. In addition, please list any generic drugs associated with the below brand drugs, if applicable.

PRODUCENAME	EN SUPPLIED ON FED INTERNAL	**************************************
CAVERJECT	PROSTAGLANDIN - IMPOTENCE AGENTS	PROSTAGLANDIN - IMPOTENCE AGENTS
MUSE	PROSTAGLANDIN - IMPOTENCE AGENTS	PROSTAGLANDIN - IMPOTENCE AGENTS
EDEX	PROSTAGLANDIN - IMPOTENCE AGENTS	PROSTAGLANDIN - IMPOTENCE AGENTS
LEVITRA	SELECTIVE CGMP PHOSPHODIESTERASE TYPE 5 INHIBITORS	SELECTIVE CGMP PHOSPHODIESTERASE TYPE 5 INHIBITORS
VIAGRA	SELECTIVE CGMP PHOSPHODIESTERASE TYPE 5 INHIBITORS	SELECTIVE CGMP PHOSPHODIESTERASE TYPE 5 INHIBITORS
STAXYN	SELECTIVE CGMP PHOSPHODIESTERASE TYPE 5 INHIBITORS	SELECTIVE CGMP PHOSPHODIESTERASE TYPE 5 INHIBITORS
CIALIS	SELECTIVE CGMP PHOSPHODIESTERASE TYPE 5 INHIBITORS	SELECTIVE CGMP PHOSPHODIESTERASE TYPE 5 INHIBITORS

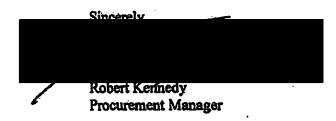
A cover letter on CaremarkPCS Health, LLC letterhead, signed by an individual authorized to bind CaremarkPCS Health, LLC must accompany the answers provided to this request for clarification. Additionally, the cover letter must specifically state that said individual has such authority.

Deadline for Response

An electronic copy of CaremarkPCS Health, LLC's response (i.e., signed cover letter, answers to the clarifying question(s) and additional exhibits, if necessary) to the information requested herein should be sent via email to: 2014RxBenefitRFP@cs.state.ny.us, no later than 5:00 p.m. EST, Tuesday, June 19, 2012, with hardcopy to follow delivered via first class mail to:

New York State
Department of Civil Service
Mr. Robert Kennedy
Procurement Manager
Employee Benefits Division, Room 641
Alfred E. Smith State Office Building
Albany, New York 12239

If you have any questions concerning this clarification request, please contact me via email at the address provided above.



cc: W. Jardine (CM)
J. Fowler (CM)

CVS Caremark's Response to #4



June 18, 2012

New York State
Department of Civil Service
Mr. Robert Kennedy
Procurement Manager
Employee Benefits Division, Room 641
Alfred E. Smith State Office Building
Albany, New York 12239

Mr. Kennedy:

On behalf of CVS Caremark, this letter is in response the state's clarification request #4, regarding Exhibit V.B.2.

Please note, this letter has been signed by Coileen Cleveland, who has been authorized to bind CaremarkPCS Health, L.L.C.

If you have any questions or require further information, please don't hesitate to contact me at

Sincerely.

Colleen Cleveland Vice President, Proposals & Client Strategies CVS Caremark

1 Clarification Letter #5



ANDREW M. CUOMO

STATE OF NEW YORK DEPARTMENT OF CIVIL SERVICE ALFRED E. SMITH STATE OFFICE BUILDING ALBANY, NEW YORK 12239 WWW.DLIYLOOV

JERRY BOONE

July 13, 2012

VIA ELECTRONIC MAIL & US POSTAL MAIL

Ms. Colleen Cleveland
Vice President - Proposals and Client Strategies
CaremarkPCS Health, LLC
One CVS Drive
Woonsocket, Rhode Island 02895

Dear Ms. Cleveland:

Re: State Clarification Request #5 of CaremarkPCS Health, LLC (Question 1)
New York State Request for Proposals entitled "Pharmacy Benefit Services
for The Empire Plan, Excelsior Plan, Student Employee Health Plan, and
New York State Insurance Fund Workers' Compensation Prescription Drug
Programs (RFP)" CaremarkPCS Health, LLC Proposal dated May 8, 2012.

The State is in the process of evaluating the Proposals received in response to the above referenced RFP. As a result of the evaluation to date, the State has determined that additional information and clarification(s) is/are required from CaremarkPCS Health, LLC which must be addressed in order for the State to proceed further in its evaluation.

Clarification Subject Matter(s) Covered Under This Request

Cost Proposal

This letter concerns the above referenced subject area(s).

Information/Clarification(s) Sought

Please confirm/clarify the following:

- The cost quotes (e.g. Discounts/etc) made in CaremarkPCS Health, LLC's Cost Proposal were <u>not</u> based on the inclusion of the optional Maintenance Choice alternative, <u>and</u>:
- 2. The cost quotes reflect the pricing of claims dispensed at CVS pharmacies are at the retail network levels.

CVS Caremark's Response to #5



July 18, 2012

New York State
Department of Civil Service
Mr. Robert Kennedy
Procurement Manager
Employee Benefits Division, Room 641
Alfred E. Smith State Office Building
Albany, New York 12239

Mr. Kennedy:

On behalf of CVS Caremark, this letter is in response the state's clarification request #5, regarding our Cost Proposal.

Please see below for responses to the requested clarification items.

Please confirm/clarify the following:

1. The cost quotes (e.g. Discounts/etc) made in CaremarkPCS Health, LLC's Cost Proposal were <u>not</u> based on the inclusion of the optional Maintenance Choice alternative, <u>and</u>:

CVC Caremark confirms.

2. The cost quotes reflect the pricing of claims dispensed at CVS pharmacles are at the retail network levels.

Please note, this letter has been signed by Coileen Cleveland, who has been authorized to bind CaremarkPCS Health, L.L.C.

If you have any questions or require further information, please don't hesitate to contact me at

Sincerely,

College Cleveland
Vice President, Proposals & Client Strategies
CVS Caremark