

CITY OF BROKEN ARROW - VIRTA MEDICAL P.C.
AMENDMENT No. 1 to MASTER SERVICES AGREEMENT and STATEMENT OF WORK NO. 1

This Amendment No. 1 to the Statement of Work No. 1 (this “**Amendment**” or “**First Amendment**” or “**Amendment No. 1**”), is entered into and effective as of June 1, 2024, by and between **Virta Medical P.C.**, a California Professional Corporation and its affiliates (“**Virta**” or the “**Company**”), and City of Broken Arrow, on behalf of itself and its affiliates, with offices at 220 South 1st Street, Broken Arrow, Oklahoma 74012, United States (“**Customer**” or “**City of Broken Arrow**”). *Customer and Virta shall each be referred to individually as a “Party” and collectively as the “Parties”.*

WHEREAS, Customer and Virta entered into that certain Master Services Agreement (“**Agreement**”, and as amended), effective January 1, 2023 and that certain Statement of Work No. 1 (“**SOW No. 1**”, and as amended), effective January 1, 2023, pursuant to which Virta provides certain Services to Customer.

WHEREAS, the Parties now mutually desire to amend the Agreement and SOW No. 1 to expand to/add Obesity Reversal and to update certain terms and conditions.

NOW THEREFORE, for good and valuable considerations, the receipt and sufficiency of which is hereby acknowledged, the Parties hereto agree as follows:

1. Authority. Each Party represents and warrants that (i) it has all requisite corporate power and authority to enter, and perform pursuant to this Amendment; (ii) the execution, delivery and performance of this Amendment and the consummation of the transactions contemplated hereby have been duly and properly authorized by all requisite corporate action on its part; and (iii) this Amendment has been duly executed and delivered by such Party.
2. Amendment. The Agreement is hereby amended as follows:

- a. The table in Section 1, Services of SOW No. 1 is deleted in its entirety and replaced with the following table:

VIRTA SERVICES	Diabetes Reversal	Diabetes Management	Prediabetes Reversal	Obesity Reversal (Weight Loss)
Service(s) Selected	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Launch Date	Existing		Existing	June 1, 2024 (new)
Estimated Number of Covered Persons	1,045			
2024 Pricing Per Enrolled Member Per Month (PEMPM)*	First twelve (12) months of consecutive care: \$234/month *Month 13+: \$199/month	N/A	\$149/month	\$149/month
2025 PEMPM Pricing*	First twelve (12) months of consecutive care: \$242/month *Month 13+: \$205/month	N/A	\$154/month	\$154/month
2026 PEMPM Pricing*	First twelve (12) months of consecutive care: \$250/month *Month 13+: \$212/month	N/A	\$159/month	\$159/month
Annual or Implementation Fees (invoiced within 30 days of contract execution)	Waived			
Billing Type	Invoice Billing			

- b. The last (second) sentence in Section 2, Fees of SOW No. 1 shall be deleted in its entirety and replaced with the following:

All PEMPM Fees in this SOW shall be adjusted by no more than 3% on an annualized basis over the term of this Agreement, rounded up to the nearest dollar amount, based on the calendar year. On January 1, 2025, a 3% increase will be in effect, and then each calendar year thereafter.

- c. Eligibility Requirements for Obesity Reversal, of Schedule 4, Obesity Reversal : Service Schedule of SOW No. 1 is hereby deleted and replaced with the following:

ELIGIBILITY REQUIREMENTS FOR OBESITY REVERSAL

- Age: 18-79 Years Old, unless otherwise mutually agreed upon
- Enrolled Members whose Body Mass Index (“BMI”) is greater than or equal to 25, unless otherwise mutually agreed upon

- d. Exhibit A, Master Services Agreement & Statement of Work Definitions of the Agreement shall be deleted in its entirety and replaced with the Exhibit A attached hereto.

3. Conflict/Other Terms Unchanged. In the event of a conflict between the terms of this Amendment or the Agreement and SOW No. 1, the terms of this Amendment shall control. Where new terms are added in this Amendment or terms are delineated as applicable to all services, those terms shall apply to the Agreement and SOW No. 1 also. Except as expressly amended or noted herein, all other terms and conditions as set forth in the Agreement and SOW No. 1 shall remain unchanged. The Agreement and SOW No. 1 as amended by this Amendment, shall remain and continue in full force and effect, and shall continue to be binding on the Parties hereto.

IN WITNESS WHEREOF, Virta and Customer have executed this Amendment as of the effective date above.

Agreed to and Accepted by:
VIRTA MEDICAL, P.C.

By: _____

Name: _____

Title: _____

Date: _____

Agreed to and Accepted by:
CITY OF BROKEN ARROW

By: _____

Name: _____

Title: _____

Date: _____

EXHIBIT A

MASTER SERVICES AGREEMENT & STATEMENT OF WORK DEFINITIONS

“Administrative Services Only” or “ASO” means an arrangement in which a company funds its own employee benefit plan, such as a health insurance program while purchasing only administrative services from the insurer.

“AMA” means the American Medical Association.

“Annual Platform Fees” means the annual fee charged by Virta to the Customer set forth in a Main Services Agreement or Statement of Work for access to the Virta app and platform services, regardless of the number of Enrolled Members. Platform services include but are not limited to: customer success; population-level communications, outreach, and education; outcomes reporting; setup of claims based billing; and eligibility processing.

“Applicable Law” shall mean the applicable federal, state or local statute, regulation or guidance promulgated by an agency, regulatory or licensing body or court order.

“Attributed Member” shall mean, for a given Measurement Period, any Enrolled Member who has been Enrolled in a given Service for at least six (6) months.

“Baseline A1c” is the first A1c measurement recorded by Virta prior to Attributed Member’s care plan start, as applicable by Service.

“Baseline Monthly Prescription Claims Cost” is calculated by taking the average monthly Diabetes Specific Pharmacy Costs for all Attributed Members over the twelve-month period prior to each Attributed Member’s care plan start, when claims data is provided.

“Baseline Weight” is the first weight measurement recorded by Virta prior to Attributed Member’s care plan start, as applicable by Service.

“Covered Person” is the person entitled to receive benefits under programs offered and/or administered by Customer, and/or its subsidiaries and/or affiliates, including by way of example employees, spouses, and dependents.

“CPT” means Current Procedural Terminology and is a registered trademark of the AMA.

“Credit” means a forward-looking offset Virta provides to Customer (for direct billing) based on lack of achievement of the Performance Guarantees during any Measurement Period provided in a Services Schedule.

“Diabetes Prescription Drugs” means those drugs set forth in a SOW, when prescribed for a diabetes indication.

“Diabetes Specific Pharmacy Cost” means the sum of the claims amount paid by plan for Attributed Members for Enrolled Member Diabetes Prescription Drugs.

“eA1c Reading” means a value derived using Virta’s correlation/prediction algorithms as applied to Enrolled Member-reported blood glucose reading(s) on an FDA-approved meter.

“Eligibility Requirements” means the specific eligibility requirements for each Service listed in a Service Schedule, which may be updated from time to time in Virta’s sole discretion.

“Eligible Person” means a Covered Person with an eligible diagnosis (such as pre-diabetes, diabetes, obesity, etc.).

“Employer” means an employer of a Covered Person or Enrolled Member.

“Enrolled Member” is the Covered Person who elects to participate in Service(s) selected by Customer on a SOW.

“Enrollment Date” means the date upon which an Enrolled Member has met coverage eligibility and engaged in an Episode of Care.

“Episode of Care” means any service provided by Virta in offering its care plan to Covered Persons, including lab collection, clinical intake, provider visit, medical approval, counseling, or other value-add by Virta.

“Excluded Medical Conditions” means the conditions listed in the applicable SOW for which the Services are contraindicated.

“FDA” means the U.S. Food and Drug Administration.

“Health Plan” means an insurance company, health maintenance organization or other organization that provides or pays the cost of medical care.

“Implementation Fees” means the fees charged by Virta to the Customer associated with a new or additional implementation of Services, or related activities performed by Virta.

“Launch Date” means the date upon which the first communications campaign under Virta’s Minimum Communications Plan is first made available to Covered Persons. Other Services may be made available before the Launch Date on an as-needed and/or as-available basis. Launch Date is contingent upon timely receipt of Customer inputs and data required to launch in Virta standard specifications and as outlined in the implementation plan.

“Measurement Period” is the time period over which Performance Guarantees are measured, as defined in the applicable SOW. Each member will only be included in exactly one Measurement Period.

“Measurement Period Fees” means the fees for the Enrolled Members during the Measurement Period that will be at risk for a failure to meet a Performance Guarantee.

“Measurement Period Monthly Rx Claims Cost” is the sum of the Attributed Members’ Monthly Diabetes Specific Pharmacy Costs during the Measurement Period.

“Per Enrolled Member Per Month” or **“PEMPM”** means the pricing stated in a SOW for a Service for each Enrolled Member for each month.

“Performance Guarantees” or **“PGs”** are the clinical and financial targets outlined in a Service Schedule attached to a SOW for the applicable Service. Different Performance Guarantees apply to each Service. Each Performance Guarantee is subject to a *pro rata* Credit, of the aggregate Per Enrolled Member Per Month fees paid for the Measurement Period of the Performance Guarantee up to 100% of such fees during each Measurement Period as outlined in the Service Schedule. For the avoidance of doubt, each Member will only be included in exactly one PG calculation. PGs may be grouped, solely at the discretion of Virta, based on tiers or lines of business.

“Reconciliation” is the process after each Measurement Period of determining if any Credit is due based on achievement or lack thereof of the Performance Guarantees in a Service Schedule.

“Reconciliation Period” is the period following the end of a Measurement Period in which the Reconciliation is completed. For calculation of the Diabetes Drug Prescription Cost Reduction Performance Guarantee, claims are required that were incurred during the Measurement Period. Within ninety (90) days after the end of the Measurement Period, the Customer will provide claims data (including eligibility and Rx claims data) to Virta. The Reconciliation Period begins on the day Virta gets all data necessary to calculate the Performance Guarantees. Within ninety (90) days after receipt of all necessary data and documentation needed for Reconciliation, Virta will deliver an analysis of the Performance Guarantees to Customer. The Customer then has sixty (60) days to accept the results and/or perform an audit of the results after which point Credit audit rights shall expire. Failure to provide claims data in a timely manner will automatically default PG analyses to Virta’s dosage-based model (if available).

“Services” means one or more of the services offered by Virta, as selected in a SOW, including but not limited to the following: (i) Diabetes Reversal; (ii) Diabetes Management; (iii) Pre-Diabetes Reversal; and (iv) Obesity Reversal.

“Service Schedule(s)” means the schedule(s) attached to a SOW that outline the Eligibility Requirements, marketing, billing, and Performance Guarantees for each Service.

“Trend” is the annual cost increase for diabetes management drugs on a per Member basis. This factor adjusts for observed patterns in cost increases for a typical diabetic population driven by increased ingredient costs, increased prescribing of higher cost novel drugs, and increases in overall utilization. From 2019 to 2021, the average annual cost increase was 11.9%. Virta will evaluate Trend on an annual basis and use more recent Trend in calculations.

“Treatment A1c” is an Attributed Member’s A1c measurement that is recorded during the period between thirty (30) days prior to the end of the Measurement Period and sixty (60) days after the Measurement Period. If there is more than one measurement in that period, it would be the measurement closest to the end of the measurement period. If no lab A1c measurement is available during the measurement period, an eA1c Reading may be used.

“Treatment Weight” is an Attributed Member’s weight that is recorded during the period between thirty (30) days prior to the end of the Measurement Period and sixty (60) days after the Measurement Period. If there is more than one measurement in that period, it would be the measurement closest to the end of the measurement period.