

**SERIAL 01178 RFP EMPLOYEE HEALTH BENEFITS PLAN
WALGREENS Contract**

DATE OF LAST REVISION: March 04, 2009

CONTRACT END DATE: June 30, 2012

JUNE 30, ~~2007~~ 2008 2012
~~DECEMBER 31, 2005~~
~~DECEMBER 31, 2004~~
CONTRACT PERIOD THROUGH ~~DECEMBER 31, 2003~~

TO: All Departments
FROM: Department of Materials Management
SUBJECT: Contract for **EMPLOYEE HEALTH BENEFITS PLAN**

Attached to this letter is published an effective purchasing contract for products and/or services to be supplied to Maricopa County activities as awarded by Maricopa County on **January 01, 2003**.

All purchases of products and/or services listed on the attached pages of this letter are to be obtained from the vendor holding the contract. Individuals are responsible to the vendor for purchases made outside of contracts. The contract period is indicated above.

Wes Baysinger, Director
Materials Management

SD/mm
Attach

Copy to: Clerk of the Board
Pat Vancil, **Employee Health Initiatives**
Diane Golat, **Employee Health Initiatives**
Materials Management

(Please remove Serial 97025-MS from your contract notebooks)



CONTRACT FOR SERVICES PURSUANT TO RFP

SERIAL 01178-RFP

This Contract is entered into this 19th day of August, 2002 by and between Maricopa County ("County"), a political subdivision of the State of Arizona, and WHP Health Initiatives, Inc. d/b/a Walgreens Health Initiatives (WHI), an Illinois corporation ("Contractor") for the purchase of Pharmacy Services, Self Insured.

1.0 TERM

- 1.1 This Contract is for a term of one (1) year, beginning on the 1st day of January 2003 and ending the 31st day of December ~~2003 2004 2005~~ **June 30, 2007 2008 2012**.
- 1.2 The County may, at its option and with the written agreement of the Contractor each year, extend the period of this Contract for additional one (1) year terms up to a maximum of Nine (9) additional terms. The County shall notify the Contractor in writing of its intent to extend the Contract period at least one hundred and twenty (120) calendar days prior to the expiration of the original contract period, or any additional term thereafter.

2.0 PAYMENT

- 2.1 As consideration for performance of the duties described herein, County shall pay Contractor the sum stated in Final Pricing, attached hereto and incorporated herein as Exhibit "A."
- 2.2 Payment under this Contract shall be made in the manner provided by law. Invoices shall contain the following information: description of services, quantities, unit prices, and extended totals and applicable sales/use tax. The County is not subject to excise tax.
- 2.3 County shall not be responsible to Contractor for claims submitted more than ninety (90) days from date of service.

3.0 DUTIES

- 3.1 The Contractor shall perform all duties stated in the Agreed Scope of Work, attached hereto and incorporated herein as "Exhibit B, Exhibit B-1 (Best and Final Clarifications) and Exhibit B-2 (Performance Guarantees and Attachment 1)." **Exhibit C (Contract amendment HealthSelect) Exhibit D (Amendment 2, Pharmacy Services)**

4.0 TERMS & CONDITIONS

4.1 INDEMNIFICATION AND INSURANCE:

4.1.1 Indemnification.

To the fullest extent permitted by law, Contractor shall defend, indemnify, and hold harmless the County, its agents, representatives, officers, directors, officials, and employees from and against all claims, damages, losses and expenses, including but not limited to attorney fees and costs, relating to Contractor's negligence in performing this Contract.

The amount and type of insurance coverage requirements set forth herein will in no way be construed as limiting the scope of the indemnity in this paragraph.

The scope of this indemnification does not extend to the negligence of the County.

4.1.2 Insurance Requirements.

Contractor, at its own expense, shall self-insure or purchase and maintain the herein stipulated minimum insurance with companies duly licensed, possessing a current A.M. Best, Inc. Rating of B++6, or approved unlicensed companies in the State of Arizona with policies and forms satisfactory to the County.

All insurance required herein shall be maintained in full force and effect until all work or service required to be performed under the terms of the Contract is satisfactorily completed and formally accepted. Failure to do so may, at the sole discretion of the County, constitute a material breach of this Contract.

The Contractor's insurance shall be primary insurance as respects the County, and any insurance or self-insurance maintained by the County shall not contribute to it.

Any failure to comply with the claim reporting provisions of the insurance policies or any breach of an insurance policy warranty shall not affect coverage afforded under the insurance policies to protect the County.

The Contractor shall be solely responsible for the deductible and/or self-insured retention and the County, at its option, may require the Contractor to secure payment of such deductibles or self-insured retentions by a surety bond or an irrevocable and unconditional letter of credit.

The County reserves the right to request and to receive, within thirty (30) working days, certified copies of any or all of the herein required insurance policies and/or endorsements. The County shall not be obligated, however, to review such policies and/or endorsements or to advise Contractor of any deficiencies in such policies and endorsements, and such receipt shall not relieve Contractor from, or be deemed a waiver of the County's right to insist on strict fulfillment of Contractor's obligations under this Contract.

The insurance policies required by this Contract, except Workers' Compensation, shall name the County, its agents, representatives, officers, directors, officials and employees as Additional Insureds.

The insurance policies required hereunder, except Workers' Compensation, shall contain a waiver of transfer of rights of recovery (subrogation) against the County, its agents, representatives, officers, directors, officials and employees for any claims arising out of Contractor's work or service.

4.1.2.1 Commercial General Liability. Contractor shall maintain Commercial General Liability insurance with a limit of not less than \$1,000,000 for each occurrence with a \$2,000,000 Products/Completed Operations Aggregate and a \$2,000,000 General Aggregate Limit. The policy shall include coverage for bodily injury, broad form property damage, personal injury, products and completed operations and blanket contractual coverage including, but not limited to, the liability assumed under the indemnification provisions of this Contract which coverage will be at least as broad as Insurance Service Office, Inc. Policy Form CG 00 01 10 93 or any replacements thereof.

The policy shall contain a severability of interest provision, and shall not contain a sunset provision or commutation clause, or any provision which would serve to limit third party action over claims.

The Commercial General Liability additional insured endorsement shall be at least as broad as the Insurance Service Office, Inc.'s Additional Insured, Form CG 20 10 11 85, and shall include coverage for Contractor's operations and products and completed operations.

4.1.2.2 Automobile Liability. Contractor shall maintain Automobile Liability insurance with an individual single limit for bodily injury and property damage of no less than \$1,000,000, each occurrence, with respect to Contractor's vehicles (whether owned, hired, non-owned), assigned to or used in the performance of this Contract.

4.1.2.3 Workers' Compensation. The Contractor shall carry Workers' Compensation insurance to cover obligations imposed by federal and state statutes having jurisdiction of Contractor's employees engaged in the performance of the work or services, as well as Employer's Liability insurance of not less than \$1,000,000 for each accident, \$1,000,000 disease for each employee, and \$1,000,000 disease policy limit.

4.1.3 Certificates of Insurance.

4.1.3.2 Prior to commencing work or services under this Contract, Contractor shall furnish the County with certificates of insurance, or formal endorsements as required by the Contract in the form provided by the County, issued by Contractor's insurer(s), as evidence that policies providing the required coverage, conditions and limits required by this Contract are in full force and effect. Such certificates shall identify this contract number and title.

In the event any insurance policy (ies) required by this Contract is (are) written on a "claims made" basis, coverage shall extend for two years past completion and acceptance of the Contractor's work or services and as evidenced by annual Certificates of Insurance.

If a policy does expire during the life of the Contract, a renewal certificate must be sent to the County two (2) days prior to the expiration date.

4.1.4 Cancellation and Expiration Notice.

Insurance required herein shall not be permitted to expire, be canceled, or materially changed without thirty- (30) day's prior written notice to the County.

4.2 NOTICES:

All notices given pursuant to the terms of this Contract shall be addressed to:

For County:

Maricopa County
Department of Materials Management
Attn: Director of Purchasing
320 West Lincoln Street
Phoenix, Arizona

For Contractor:

Walgreens Health Initiatives
520 Lake Cook Road, Suite 400
Deerfield, IL. 60015

Attn: Client Services

4.3 ESCALATION:

Any requests for reasonable price adjustments must be submitted two hundred and ten (210) days prior to the then Contract period's expiration date. Requests for adjustment must be supported by appropriate documentation. If applicable, the **Not to Exceed** cap on the following years rates are due the first of January of the year preceding. If County agrees to the adjusted rates, County shall issue written approval of the change. The reasonableness of the request will be determined by the claims experience and/or by performing a market survey.

4.4 TERMINATION:

County may unconditionally terminate this Contract for convenience by providing **three hundred and sixty (360) ~~sixty (60)~~** calendar days advance notice to the Contractor.

Either party may terminate this Contract if the other party fails to pay any charge when due or fails to perform or observe any other material term or condition of the Contract, and such failure continues for more than ten (10) days after receipt of written notice of such failure from the non-defaulting party, or if either party becomes insolvent or generally fails to pay its debts as they mature.

4.5 STATUTORY RIGHT OF CANCELLATION FOR CONFLICT OF INTEREST:

Notice is given that pursuant to A.R.S. § 38-511 the County may cancel this Contract without penalty or further obligation within three years after execution of the contract, if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the County is at any time while the Contract or any extension of the Contract is in effect, an employee or agent of any other party to the Contract in any capacity or consultant to any other party of the Contract with respect to the subject matter of the Contract. Additionally, pursuant to A.R.S § 38-511 the County may recoup any fee or commission paid or due to any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the County from any other party to the contract arising as the result of the Contract.

4.6 OFFSET FOR DAMAGES;

In addition to all other remedies at law or equity, the County may offset from any money due to the Contractor any amounts Contractor owes to the County for damages determined either by mutual written agreement of the parties or by a court with competent jurisdiction over the matter to have resulted from breach or deficiencies in performance under this contract.

4.7 ADDITIONS/DELETIONS OF SERVICE:

The County reserves the right to add and/or delete products and/or services provided under this Contract. If a requirement is deleted, payment to the Contractor will be reduced proportionately to the amount of service reduced in accordance with the bid price. If additional services and/or products are required from this Contract, prices for such additions will be negotiated between the Contractor and the County.

4.8 SUBCONTRACTING:

The Contractor may not assign this Contract or subcontract to another party for performance of the terms and conditions hereof without the written consent of the County, which shall not be unreasonably withheld. County acknowledges that Contractor subcontracts for the following ancillary services: pharmacy audits, independent claims review and appeal, retrospective drug utilization review, and formulary development. Contractor will seek from County written consent, which shall not be unreasonably withheld, for any subcontracts entered into beyond those listed in this paragraph. The parties acknowledge that Contractor's network of retail and mail pharmacies are not considered subcontractors hereunder. All correspondence authorizing future subcontracting must reference the Bid Serial Number and identify the job project.

4.9 AMENDMENTS:

All amendments to this Contract must be in writing and signed by both parties.

4.10 RETENTION OF RECORDS:

Both parties agree to retain all financial books, records, and other documents relevant to this Contract for five (5) years after final payment or until after the resolution of any audit questions which could be more than five (5) years, whichever is longer. The County, Federal or State auditors and any other persons duly authorized by the Department shall have full access to, and the right to examine, copy and make use of, any and all said materials retained by Contractor and Contractor shall have full access to, and the right to examine, copy and make use of, any and all said materials retained by County.

If either party's books, records and other documents relevant to this Contract are not sufficient to support and document that requested services were provided and/or paid for, the Contractor shall reimburse Maricopa County or County shall reimburse Contractor, as the case may be, for the services not so adequately supported and documented.

4.11 AUDIT DISALLOWANCES:

If at any time County determines that a cost for which payment has been made is a disallowed cost, such as overpayment, County shall notify the Contractor in writing of the disallowance. County shall also state the means of correction subject to Contractor's written agreement, which may be but shall not be limited to adjustment of any future claim submitted by the Contractor by the amount of the disallowance, or to require repayment of the disallowed amount by the Contractor.

4.12 VALIDITY:

The invalidity, in whole or in part, of any provision of the Contract shall not void or affect the validity of any other provision of this Contract.

4.13 RIGHTS IN DATA:

The County shall have the use of data and reports resulting from this Contract without additional cost or other restriction except as provided by law. Each party shall supply to the other party, upon request, any available information that is relevant to this Contract and to the performance hereunder.

4.14 INTEGRATION

This Contract represents the entire and integrated agreement between the parties and supersedes all prior negotiations, proposals, bids, communications, understandings, representations, or agreements, whether oral or written, express or implied.

4.15 GOVERNING LAW:

The laws of the State of Arizona will govern this contract.

IN WITNESS WHEREOF, this Contract is executed on the date set forth above.

CONTRACTOR

AUTHORIZED SIGNATURE

PRINTED NAME AND TITLE

ADDRESS

DATE

MARICOPA COUNTY

BY: _____
CHAIRMAN, BOARD OF SUPERVISORS

DATE

ATTESTED:

CLERK OF THE BOARD

DATE

APPROVED AS TO FORM:

MARICOPA COUNTY ATTORNEY

DATE

EXHIBIT A PRICING

Rate Quotation. County will pay Contractor at the rates set forth in this Exhibit A. Previous rates have changed due to the increase in covered lives from the additional of health select members effective January 1, 2004.

1.a. Retail (Up to a 30 day supply)

Brand: lower of AWP — 16% + \$1.75 1.50 or lesser U&C

Generics: lowest of AWP — 16% or MAC + \$1.75 1.50; WHI MAC + \$1.75; or lesser of U&C

Retail (31-83 days and non-covered Rx items)

Some contract rates as above for 30 day supplies. Copayment will adjudicate at 100% contract rate.

b. Mail

Brand: AWP 23 21% + \$0 0.050 Dispensing fee

Generic: AWP 55% + \$0 0.050 Dispensing fee

c. Internet pharmacy rates — same as 30 day retail rates and 84-91 0 day retail rates

ADVANTAGE 91

2. 90 Day Retail (84-91 0 day supplies) (Walgreens Only)*and Comprehensive Health Clinic (CHC) and Family Health Center (FHC)

Brand: AWP — 18.5 20% + \$1.00 or lesser of U&C

Generic: AWP — 18.5 48% or MAC + \$1.00 or lesser of U&C

Brand: lower of AWP — 18.5% + \$1.75 or U&C

Generics: lowest of AWP — 18.5% + \$1.75; WHI MAC + \$1.75; or U&C

*Rates do not apply if less than 84 day supply

3. Minimum Copay. Notwithstanding the rates set forth in Paragraphs 1 and 2, above (“Contract Rate”), if the Contract Rate is less than the Member’s minimum copay amount, the Member will pay the minimum copay amount or the dispensing pharmacy’s U&C charge as adjudicated on the applicable prescription, whichever is lower.

4. Fees Conditioned Upon 3-tier Maricopa County Copayment Option

a. Administrative Fee per claim	\$0.00
b. Rebate to Client per claim (all claims) as described in Section 9 below	\$2.60 \$2.75
	\$4.00 Mail-in
	\$4.00 Advantage 90
	\$4.00 Retail
e. One-Time Transitional Implementation Credit, as described in Section 19 of Scope of Work (per employee)	\$1.00

5. Other Fees (Optional where Indicated)

<u>Service</u>	<u>Fee</u>	
Plan Prior Authorizations (Client entered via on line access)	\$0.00	per auth., if applicable
Plan Prior Authorizations (WHI entered)	\$1.00	per auth., if applicable
Clinical Prior Authorizations	\$30.00	per auth.; <i>optional</i>
Direct Member Reimbursement	\$1.50	per claim
Individual Mailings	\$1.00*	postage per piece; <i>optional</i>
Paper Eligibility Submission	\$0.75	per record; <i>optional</i>
Deductibles	Waived	
Benefit Maximums	Waived	
Retrospective RDUR	\$0.30	per paid Rx; <i>optional</i>
Member Detail Report	\$0.02	per claim; <i>optional</i>
Ad hoc Reports	Waived	
ID Card Re-Issuance	\$0.80	per set of 2 ID cards
Claims Billing Tape (standard)	\$100.00	per tape; <i>optional</i>
Claims Billing Tape (Non-standard)	To be quoted	per tape; <i>optional</i>
Claims Billing Tape via FTP	No charge	
Non-Return of Tape	\$175.00	per tape; <i>optional</i>
Online Client Access	No charge	(limit 6 ID's)
Adjustment to previous paid Rx	\$0.75	per claim; <i>optional</i>
Add/Rerun Management Reports	\$100.00	per report plus 5 cents per page; <i>optional</i>

**WHI typically bulk ships all materials to a central location(s) designated by the client at no additional cost. ID cards (and other individual mailings) shipped directly to members' homes would incur additional fees, to offset postage costs.*

The above mentioned optional fees where indicated, are provided for full disclosure purposes. Maricopa County may or may not find the need to take advantage of these optional services.

6. Specialty Pharmacy. County acknowledges that certain drugs available on the market will not be subject to the rates set forth in Sections 1 and 2, above, due to reasons such as, but not limited to, nonstandard administration, necessity for case management, limited availability, unique shipping or handling requirements, and specialized manufacturer process and/or purchase arrangements. Such drugs are referred to herein as "Specialty Pharmacy Drugs." Examples of Specialty Pharmacy Drugs include biotechnology drugs and certain compounds. Certain Specialty Pharmacy Drugs may be restricted to subcontracted mail order pharmacies and subject to specific state or federal laws or regulations limiting days' supply. The rates for the dispensing of any Specialty Pharmacy Drugs will be the lower of AWP 16% + \$1.50 1.75 or U&C, except as set forth below in this section or as otherwise agreed to in writing between the parties.

Exceptions:

Cerezyme & Ceredase: lesser of AWP 0% + \$1.75 or U&C

Tikosyn: lesser of AWP 8% + \$5.00

Notwithstanding the foregoing, if the rate set forth in this Section 6 is less than the Member's minimum copayment fee, the Member will pay the minimum copay amount or the dispensing pharmacy's U&C charge, whichever is lower.

7. Definitions:

As used in this Agreement, "Average Wholesale Price" or "AWP" means the wholesale cost of the dispensed medication on the date dispensed as defined in the latest edition of any of the following:

~~The Drug Topic Red Book with supplements, the American Druggist Blue Book with supplements, Medispan and weekly updates, or any other reference which may be agreed to in writing by the parties to this Agreement. This price is based on the most commonly dispensed package size.~~

~~As used in this Agreement, "MAC List" means the WHI proprietary Standard list of generic drugs and their associated prices, which are derived using the CMS MAC list as a foundation, at which County will pay Contractor for dispensing services provided by Participating Pharmacies and the Participating Mail Service Pharmacy hereunder. The MAC List is subject to periodic review and modification by Contractor.~~

~~8. Multi-Source Products:~~

~~The parties acknowledge that the inventory of multi-source products may vary from one pharmacy to another due to the availability of such products from different manufacturers. Accordingly, the dispensing Participating Pharmacy and the Participating Mail Service Pharmacy will dispense multi-source products using the inventory customarily maintained; the terms of reimbursement and the dispensing by the Participating Pharmacy or the Participating Mail Service Pharmacy of such multi-source products may not be restricted by formulary or any list of covered drugs which identifies multi-source drugs by the manufacturer. However, notwithstanding which multi-source product is stocked, the rates set forth in this Exhibit A will apply to the product dispensed hereunder.~~

~~9. Manufacture Incentives:~~

~~In connection with and subject to the terms and conditions of this Agreement regarding manufacturer incentives, Contractor will make payments to County on a per paid prescription claim basis based on the services provided under this Agreement, regardless of the amount of manufacturer incentives received by Contractor. Contractor will make such payments in the amount of \$2.60 per paid prescription claim approximately nine months after the end of each calendar quarter (or portion thereof) in which services were provided hereunder.~~

NETWORK RETAIL 30 PHARMACY	
Brand Rate and Dispensing Fee	-21% plus \$1.00
Generic Rate and Dispensing Fee	-48% plus \$1.00 or WHI MAC
Rebates	\$4.00 Per Net Paid Claim
Administrative Fee	\$0.00

**** WHI is offering a Combined Overall Generic Discount Guarantee of -65.5% off AWP, if the combined Retail 30/Retail 90 option is chosen.**

NETWORK ADVANTAGE 90TM PHARMACY	
Brand Rate and Dispensing Fee	-21% plus \$1.00
Generic Rate and Dispensing Fee	-48% plus \$1.00 or WHI MAC
Rebates	\$4.00 Per Net Paid Claim
Administrative Fee	\$0.00

**** WHI is offering a Combined Overall Generic Discount Guarantee of -65.5% off AWP, if the combined Retail 30/Retail 90 option is chosen.**

MAIL SERVICE PHARMACY	
Brand rate and Dispensing Fee	-24% plus \$0.00
Generic rate and Dispensing Fee (No MAC)	-60% plus \$0.00
Rebates	\$4.00 Per Net Paid Claim
Administrative Fee	\$0.00

****WHI is offering an Overall Generic Discount Guarantee of -60% off AWP for Mail**

The expected generic discount includes all retail and mail generic claims which will include those adjudicated using the MAC table, a Usual & Customary price or the actual AWP discount on those Non-MAC prescriptions. Zero balance claims (those for which the plan Cost = \$0.00) will be included in the calculation. In all cases, the achieved net effective generic retail rate will be calculated using the lesser of the MAC price or usual & Customary price (for generic drugs on the MAC list) or the lesser of the discounted AWP price or the Usual & Customary price (for generic drugs no on the MAC list) divided by the AWP on the date of adjudication. The client's dispensing fee will be subtracted from the Usual & Customary price to determine the implied ingredient cost portion of the Usual & Customary price in this calculation. In all cases the ingredient cost is exclusive of the dispensing fee. Specialty drugs and OTC products are not included.

- 1. WHI will offer an overall 5 to 1 return on investment (ROI) guarantee for Medication Management programs.**
- 2. WHI will offer a Medication Therapy Management (MTM) Polypharmacy ROI guarantee of 1.4 to 1.**

Scope of Work

Walgreens Health Initiatives

EXHIBIT B

1. Walgreens Health Initiatives (“WHI”) manages prescription benefit programs that include the dispensing of prescription drugs by and through WHI’s network of retail community pharmacies (“Participating Pharmacy (ies)”) and a mail service pharmacy in Tempe, Arizona (“Participating Mail Order Pharmacy”) (collectively, “Pharmacy(ies)”) and arranges for prescription benefit management and claim processing services for sponsors of various health benefit plans or programs such as Maricopa County, which provide prescription benefits for their employees and dependents (collectively “Members”).
2. WHI will expand the retail network to include those pharmacies desired by the County that can comply with the negotiated terms and credentialing requirements of WHI’s pharmacy provider network. Every effort will be made at the WHI Sales Director level to inform the County of any anticipated pharmacy terminations from the network before the termination occurs, whether the termination was effected with or without cause, provided that WHI has prior knowledge and the termination is in a geographic region that materially affects the delivery of services hereunder. WHI may add or terminate Pharmacies to or from its network at WHI’s sole discretion.
3. County acknowledges and agrees that WHI has no liability to County or Members for the acts or omissions of any Pharmacy in connection with such Pharmacy’s provision of services to County and/or Members, including, but not necessarily limited to, any of the following: (i) any actual or alleged malpractice, negligence or misconduct of any Pharmacy; or (ii) the sale, compounding, dispensing, failure to sell, manufacture or use of any drug dispensed to a Member hereunder.
4. WHI will make available the services of its Internet pharmacy, Walgreens.com, for the services to be performed hereunder. This Internet-based pharmacy is also located in Maricopa County in WHI’s Tempe facility.
5. WHI will provide the prescription benefit management services described in the Agreement and/or as otherwise mutually agreed to by the parties in writing, including, but not necessarily limited to, general support and consultative services regarding pharmacy benefit design and implementation, formulary management, administrative and claims processing services, standard reporting packages, marketing, quality management and utilization management functions. In addition, WHI may develop and implement certain additional clinical intervention programs that may be desired by the County, subject to terms and conditions to be agreed in writing between the parties. Notwithstanding the foregoing or any termination rights set forth in this Agreement, WHI may immediately terminate or refrain from implementing any formulary management or other clinical program services in any geographic area (in their entirety or for specific drugs only) if, in WHI’s sole determination, the implementation or continued provision of such services is or may be in violation of applicable laws, rules, or regulations governing the practice of pharmacy or prescription benefits management, or may otherwise present an issue related to the practice of pharmacy or prescriptions benefits management.
6. Pursuant to the County or its designated agent supplying information specific to membership eligibility/enrollment, copayment information and benefit coverage in a mutually agreed upon format, WHI will make this information available to Pharmacies at the time of dispensing through the online electronic transmission link maintained between WHI and Pharmacies. Subject to WHI’s responsibility to load all such data received from County in a timely manner, County is solely responsible for the accuracy, completeness, reliability, and timeliness of all information provided to WHI and acknowledges WHI’s reliance thereupon. Any errors or omissions in the information are the sole responsibility of County. County may not deny claims submitted by any Pharmacy for payment subsequent to such Pharmacy receiving approval via the online eligibility system.
7. Identification cards, whether produced by WHI or the County will serve only the purpose of Member identification, not Member eligibility. Eligibility as stated, will be established at the time of dispensing through the Online Eligibility System.

8. WHI as the authorized prescription benefit manager will perform formulary management and other clinical services described herein. These services will include, but not necessarily limited to, generic or therapeutic prescription drug substitutions and other measures that are deemed appropriate to effectuate formulary management. Accordingly, County authorizes WHI, as its prescription benefit manager, to perform formulary management and other services described in this Agreement, subject to the terms and conditions of Section 9, below.
9. County acknowledges and agrees to the following:
 - 9.1 County represents that it has adopted WHI's formulary as part of its prescription benefit plan design and that its benefit plan design in no way prohibits County from implementing formulary management services performed hereunder, such as, but not necessarily limited to, generic or therapeutic prescription drug substitutions and any other measures that may be appropriate to effectuate formulary management. Notwithstanding the foregoing, the parties acknowledge that the prescribing physician has ultimate authority to determine which drug is prescribed to a Member.
 - 9.2 County acknowledges that, as a result of the formulary management services referenced above, WHI may receive rebates or other incentive payments from certain drug manufacturers or others, either directly or indirectly, in connection with prescription drugs dispensed hereunder and reported by WHI to such manufacturers or others. County hereby appoints WHI as County's exclusive agent, and certifies that WHI is authorized to act on County's behalf, for the purpose of negotiating and arranging, either directly or indirectly, manufacturer incentive opportunities in connection with prescription drugs dispensed to Members under this Agreement. Accordingly, County (i) represents that it has no direct or indirect arrangements, either oral or written, with drug manufacturers or others for manufacturer incentives on prescription drugs dispensed to Members pursuant to this Agreement and agrees not to enter into any such arrangement during the term of this Agreement; and (ii) agrees to cooperate fully with WHI and execute any documents in addition to this Agreement that may reasonably be necessary for either WHI or County to participate in any manufacturer incentives arrangements.
 - 9.3 County represents that to the extent funding for the provision of prescription services to Members is received from Medicaid, Medicare, or any other state or federal health care program, such funding is in accordance with the risk or capitation contract provisions of the Social Security Act or comparable state health care programs. In the event County becomes aware of circumstances that have arisen in which either Members' drug utilization is required to be reported for manufacturer incentives purposes by an entity other than WHI or Members' prescription claims are to be filed for reimbursement with Medicaid, Medicare, or any other state or federal health care program, County will immediately notify WHI, clearly identifying all involved Members. County agrees that to the extent WHI has received any manufacturer incentives improperly as a result of County's failure to provide such notice, County will pay WHI, upon request, the full amount of any manufacturer incentives to be refunded and any penalties resulting therefrom.
 - 9.4 County acknowledges that the manufacturer-incentive payment referenced in Section 9 of Exhibit A is based upon the value of manufacturer incentives WHI expects to receive as a result of County's adoption and use of WHI's formulary and any benefit design requirements associated therewith (such as, but not limited to, therapeutic substitution programs, multi-tiered copay structures, etc.). Accordingly, if WHI determines, in its sole discretion, that any change(s) to County's benefit design may adversely impact the value of manufacturer incentives WHI is likely to receive hereunder, WHI will initiate renegotiations with County of the manufacturer-incentive payment amount. Notwithstanding anything to the contrary elsewhere in this Agreement, if no agreement can be reached within 30 days, such payments will immediately cease accruing to County and WHI will have no obligation to continue making such payments thereafter, including any payments that have accrued, but have not yet been paid.

- 9.5 Notwithstanding any provision herein to the contrary, manufacturer incentive payments will immediately cease accruing to County upon the occurrence of any of the following:
- (i) breach by County of any obligations set forth in this Agreement;
 - (ii) termination of this Agreement by either party or receipt by WHI of notice from County that County intends to terminate any portion hereof which in WHI's sole discretion may adversely impact the value of manufacturer incentives WHI receives hereunder;
 - (iii) WHI's exercise of its right to terminate any clinical program services, including formulary management if, in WHI's sole discretion, such termination may adversely impact the value of manufacturer incentives WHI receives hereunder; and
 - (iv) any change in the pharmaceutical industry practices regarding the payment of manufacturer incentives.
10. For those clinical programs that may require certain medical claims information (such as, but not necessarily limited to, retrospective drug utilization review ("RDUR")), WHI will look to the County or its designated agent to provide such member-related data in a complete and accurate format and time frame to be mutually agreed upon by the parties.
11. WHI will, at the request of the County, provide access to the online eligibility and/or reporting system(s) (collectively, "System") which will allow the County's specified personnel to view, enter and/or manipulate information residing on the System. The County has asked for and WHI acknowledges the requests for six (6) access codes to be included in the overall agreement. Training is to be provided via the County's day to day account management team located in Phoenix, AZ. Conditions and instructions relating to the receiving and continuation of System access will be explained through orientation. For purposes of this paragraph, the term "access" means the ability of County, as agreed to by WHI, to view, enter, and/or manipulate information residing on the System. County acknowledges that as a condition precedent to receiving or continuing to receive access to the System, County will (i) comply with the manuals and other instructions provided by WHI for such access; (ii) safeguard the access code(s) and any downloads of information; (iii) comply with applicable laws, regulations, and County's policies and procedures concerning the protection of patient information; (iv) notify WHI immediately if any information accessed online is inconsistent with County's benefit design; (v) supervise all employees and/or third-party agents accessing such systems on County's behalf ("Users") and administer all passwords to ensure there is no misuse or abuse of the access rights granted herein; and (vi) inform all Users of the requirements set forth in this paragraph. County is solely responsible for the accuracy, completeness, reliability, and timeliness of all information it enters into the System. Any errors or omissions in the information are the sole responsibility of County. County is further responsible for providing, at its own expense, any hardware and/or software that may be necessary to effectuate access to the System, and for paying all telecommunication access fees.
12. In addition to the identification cards, WHI will provide its standard introductory materials for issuance to Members. Where appropriate and mutually agreed upon, various materials are also available in Spanish, either via paper or electronic media. This would include mail service order forms, program brochures, "Champion" newsletters, mail service promotional materials, generic usage education pieces and Walgreens retail pharmacy prescription labels. Any correspondence to membership is pre-approved by the County.
13. With regard to the actual dispensing process involving the contracted providers in WHI's network, services will be provided to Members upon the following terms and conditions:
- 13.1 Upon presentation by a Member or his/her agent of the identification card, receipt of appropriate prescriptions, and any required copayment, the Pharmacy will compound and dispense all qualified prescriptions and covered drugs pursuant to the pharmacy benefit information provided by the County to WHI and communicated by WHI to such Pharmacy via the Online Eligibility System at the time of dispensing, subject to legal restrictions and professional ethics and professional judgment.
 - 13.2 Pharmacy will collect any applicable copayment or deductible amount from each Member for each covered prescription, except when the cost is above the maximum or below the minimum. In these

cases the maximum or minimum copay will apply as indicated by the Online Eligibility System at the time of dispensing. When the Participating Pharmacy's usual and prevailing retail charge for the prescription is less than the copayment, the Participating Pharmacy will collect the usual and prevailing retail charge in lieu of the copayment. In the case of mail order prescription services, each Member must transmit with the order to the Participating Mail Service Pharmacy the applicable copayment fee for each prescription or refill covered by this Agreement.

- 13.3 Pharmacy may withhold prescription services to a Member for good cause, including, but not necessarily limited to, County's nonpayment for prescription services provided to Members; the Member's failure to pay for services rendered (e.g., copayment); requests by Member for quantities of drugs in excess of prescribed amounts or refill limitations pursuant to the pharmacy benefit information; or where, in the professional judgment of the dispensing pharmacist, the prescription should not be filled.
- 13.4 Pharmacy will attempt to dispense generic drugs in lieu of prescribed brand name drugs if commercially available and consistent with the dispensing pharmacist's professional judgment and state and federal law.
- 13.5 Mail order prescriptions will be sent to Members from the Participating Mail Service Pharmacy via United Parcel Service, United States Postal Service, or any other method the Participating Mail Service Pharmacy may select. Risk of loss or damage to covered drugs provided hereunder is on the Participating Mail Service Pharmacy until such prescription drugs have been delivered to Member. Certain products that would require cold-pack type shipping methods as recommended by manufacturer, will be handled appropriately. The cost of shipping will be borne by the Participating Mail Service Pharmacy. Members will pay, or reimburse Participating Mail Service Pharmacy, as applicable, for all additional expenses due to expedited delivery requested by Member. In addition, to the extent Contractor's shipping costs increase after the effective date of the rates set forth in this Agreement as a result of rate increases by the United States Postal Service or private mail package handlers, the parties will negotiate in good faith to reach agreement on an adjustment to the rates to compensate Contractor for its increased costs.
- 13.6 For prescriptions that are filled outside of the network and are approved by the County, WHI provides a Direct Member Reimbursement (DMR) program. The County can provide a DMR form to members for their reimbursement. WHI will work with the County to set appropriate protocols specific to their needs.
14. WHI is responsible for reasonable costs associated with its development and printing of standard marketing materials that WHI provides to County in connection with this Agreement; provided, however, that all costs associated with the distribution of such materials to Members are the sole responsibility of County.
15. With regard to billing, WHI will invoice the County following the close of each twice-monthly billing cycle. Such invoices may include, but not necessarily be limited to, prescription claims, administrative fees and/or any other costs and charges specified in the agreement. County will pay WHI all invoiced amounts within 15 days of receipt of invoice therefor. WHI will pay claims independently for services provided by Pharmacies; provided that WHI has no obligation to make such payments until applicable funds have first been received from County. All sums owed by County will bear interest of one and one-half percent (1.5%) per month from the date payment is due until paid; however, in no event will such interest rate be greater than the rate permitted by law.
16. WHI's Clinical Pharmacist and Account Manager will work with the County in WHI's commitment to satisfy the County's reporting needs. This will include but not necessarily be limited to standard management reports, provider profiling and analysis (i.e. identifying drug patterns), ad hoc reporting needs, recommendations on drug coverages-exclusions and plan designs.
17. In addition, WHI's clinical staff will work with the County to incorporate disease management programs as previously described or other health screenings and wellness programs that are deemed appropriate for the County. As with all programs, mutually agreeable terms for specialized programs will be discussed.

18. The following comments relate to WHI's commitment of support personnel as well as providing general educational assistance throughout implementation as well as employee enrollment meetings.
 - 18.1 Maricopa County will have a dedicated mutually agreed upon pharmacy consultant, which will be located in Phoenix and will be the County's key clinical pharmacist. As a back up, a local support team of clinical pharmacists is also located in the Phoenix office. If Maricopa County is unsatisfied with his/her performance, a replacement will be requested.
 - 18.2 Maricopa County will have a dedicated WHI Account Manager, who will be located in Phoenix and will be the point of contact for Maricopa County. As a back up, a local support team of customer service representatives is also located in the Phoenix office. If Maricopa County is unsatisfied with his/her performance, a replacement will be requested.
 - 18.3 Local staff within WHI will confirm onsite staffing from October through the end of January. Minimum hours expected would be 10 hours/week in October, 5 hours/week in November and December and 40 hours/week in January.
 - 18.4 WHI commits to participate in joint operating and triage meetings with the County's other vendors. This will also include WHI's attendance at the initial rollout meetings that may involve elected and appointed officials. Initial expectation is less than 5 meetings of this sort. WHI will also support special enrollment meetings with retirees at appropriate geographical locations.
 - 18.5 The WHI team will send one person to the County's Monthly Service Meetings as well as providing an onsite staffing commitment of 2 hours every other week, unless otherwise agreed by the parties.
 - 18.6 At the start-up of the program WHI willingly commits to performing "Welcome Calls" to the County retirees (approximately 300).
19. WHI will pay County a \$1.00 per employee implementation fee credit to be utilized by County at its discretion, including but not limited to helping fund home mailing of enrollment communications. This one-time payment will be based on the number of employees enrolled as of 1/31/03, and will be made within 30 days thereafter.
20. WHI agrees to contribute 50% of County's documented expenses for home mailing of enrollment communications in subsequent renewal years not to exceed \$.50 per employee.
21. WHI agrees to conduct a County-specific member satisfaction survey beginning on a mutually agreeable date. Results to be tabulated and provided to the County or designated agent.
22. Reporting. WHI will:
 - 22.1 Report number and dollar amounts of claims processed each month
 - 22.2 Provide advance notification of each fund transfer, date and amounts
 - 22.3 Provide quarterly reports electronically with the findings of the call quality program.
 - 22.4 As described in Section 11, above, provide online 'level' access to 'ad hoc' report writer and standard reports, and access to create data drill down.
 - 22.5 Provide quarterly performance guarantee metrics as identified on Exhibit B-2. These will be self-reported by WHI and audited on an annual basis by an outside auditor upon terms and conditions agreeable to the parties.
23. Claims Processing. WHI will:
 - 23.1 Agree to have a process in place that identifies and denies duplicate claims.
 - 23.2 Provide the County with an electronic version of the DMR claim form.
24. Appeals/Grievances. WHI will:
 - 24.1 Supply the appeals policy and procedure for initial grievances/complaints in connection with the services provided hereunder.
 - 24.2 Handle such initial grievances/complaints.
 - 24.3 Provide a quarterly report of the number of grievances/complaints, outcomes, and causes/reasons.

- 24.4 Act as a clinical resource to participate upon terms and conditions mutually agreed upon in writing in a second-level County appeals/grievances process.
25. **Customer Service**
Provide WHI's customer service program description including the hours of operations, training plan, call quality program, scoring tool and quality standards, production expectations (# of calls per day, time spent in Available status, etc.), production and quality metrics, staffing ratio, # of bi-lingual staff, and available services to handle a diverse population.
26. **Yearly Implementation Plan**
WHI will provide a detailed implementation plan with mutually agreed upon tasks and assignments.
27. **Formulary Changes**
When reasonably possible, provide reports of drugs that change from level 2 or 3 to the County before the change is made to the formulary, so the County may notify employees.
28. Provide Maricopa County with a library of educational tools that will help educate employees and their families. This will include, when developed and available, an automated tool for members to calculate the cost of their drugs based on our plan design for contracted rate, less coinsurance rate, applying the applicable minimum or maximum for the correct tier.
29. **Eligibility Data Transfer**
WHI will agree to support Maricopa County's request to transfer Eligibility Data to County's other vendors (dental, vision, etc.) in a mutually agreed upon format for eligibility, subject to a mutually agreeable fee for any format changes WHI is required to make. Appropriate mutually agreeable terms and security language will be put in place to protect the integrity of the data transfer and to insure compliance with all applicable privacy rules and regulations.
30. **Performance Guarantees**
See attached updated Performance Guarantee grid, Exhibit B-2.
31. **Independent Contractor**
The parties hereto are independent contracting parties, and nothing in this Agreement is intended to nor may anything in this Agreement be construed to create an agency, partnership, joint venture, employer/employee relationship, fiduciary relationship, or any other legal relationship between the parties other than or in addition to that of independent contracting parties.
32. **Confidentiality**
The parties will maintain the confidentiality of all medical, prescription, and other patient-identifiable health information specifically relating to Members ("Patient Information") in accordance with applicable laws and regulations, including the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), as may be amended from time to time. The parties acknowledge that WHI will have access to Patient Information in order to provide services and/or perform the obligations undertaken hereunder and that Patient Information may be obtained from and/or distributed to County, Participating Pharmacies, and/or any other third party in connection with services provided hereunder, including any and all disclosures made by WHI, such as, but not limited to, those made in connection with provider audits conducted by WHI or its agents or service providers, and disclosures made at County's request, such as, but not limited to, those made to third party administrators or to a new vendor upon transition of services following termination of this Agreement.
- (a) County acknowledges that certain management reports, reporting packages, utilization data, prescription claims information and/or clinical or formulary-related programs may contain Patient Information. County further acknowledges that (i) its request to WHI to disclose Patient Information to any third party (i.e. broker, healthcare consultant and/or third party administrator) constitutes County's direction and authorization to disclose such information to the third party; and (ii) WHI will disclose such information pursuant to County's direction until such time as WHI receives written notice from County to cease further disclosures. County acknowledges the requirements and obligations under HIPAA regarding the disclosure of Patient Information to third parties on its behalf. Accordingly, if and when required, County agrees to enter into "Business Associate" contracts (as such term is defined in Title

45, Section 160.103, of the Code of Federal Regulations) with such parties as well as any other agreements required by state, federal law and regulations.

- (b) The parties hereto acknowledge that certain proprietary and/or confidential technical and business information may be disclosed between the parties hereto. Such information may include, without limitation, databases, trade secrets, reporting packages and formats, utilization and management reports, client specific prescription claims information, manuals, computer programs, software and clinical or formulary-related operations or programs (hereinafter collectively referred to as (“Confidential Information”). The parties acknowledge and agree that the value of such Confidential Information may be lost if the receiving party does not maintain the proprietary nature or confidentiality of the information. Accordingly, each party hereto will maintain the confidentiality of all Confidential Information, including, without limitation, implementing those precautions said party employs with respect to its own proprietary and confidential information and disclosing it only to those employees who have a need to know in order to effectuate the purpose(s) of this Agreement, and only after such employees have agreed to be bound by the terms of this Section 32. In no event will either party use any Confidential Information to benefit itself or others, except to the extent expressly authorized by this Agreement. Notwithstanding the foregoing, the obligations of confidentiality shall not apply to any Confidential Information which is or becomes known generally known within the relevant industry (except as a result of a breach by a party hereto of its obligations under this Agreement); or is required to be disclosed by deposition, interrogatory, request for documents, subpoena or court order. Furthermore, the parties acknowledge and agree that the term “Confidential Information” as used in this paragraph shall not include aggregated and/or non-client specific information that is maintained and/or disclosed by either party in the normal course of their business operations.

33. Force Majeure

The performance by either party hereunder will be excused to the extent of circumstances beyond such party’s reasonable control, such as acts of God, including but not limited to flood, tornado, earthquake, fire, or other natural disaster, as well as epidemic, war, civil disturbance, sabotage, criminal acts, material destruction of facilities, and failures in electricity, heat, air, or telecommunications equipment. In such event, the parties will use their best efforts to resume performance as soon as reasonably possible under the circumstances causing the party’s failure to perform.

34. Conflicting Documents

In the event of a conflict between the terms of this Agreement and any County benefit contract, Member enrollment form/contract or Member brochure, the terms of this Agreement will control. Such contract, enrollment or brochure may not impose any greater obligations upon Pharmacy for the provision of prescription services than those obligations set forth in this Agreement and to the extent such document does, it is of no force or effect.

EXHIBIT B-1

RX Grid

#	Issue	Response
1	Confirm Gina M. will serve as the countys Pharmacy Consultant?	Yes, Gina Matter will serve as the County's Pharmacy Consultant. Jill Hanson is also available to provide consultative services to the County in Gina's absence, i.e., vacation. Both Gina and Jill are Clinical Pharmacists located in the Phoenix Regional Office at 410 N. 44th Street, Phoenix, AZ.
2	Confirm your willingness to allow the county to customize the formulary utilized?	WHI will work with the County to discuss all formulary customization changes and show clinical and financial impact of any changes from the proposed WHI formulary. The County will be notified of new drugs released on the market through the use of New Product Evaluation (NPE) forms. The information provided may be used to initiate customization discussions, if necessary. It is important to maintain the distinction between a covered/excluded list of medications via a plan design vs. a true customized formulary. The former the County has at its discretion while the latter involves medications within therapeutic categories and can impact manufacturer rebates and ultimately the amount of funds available back to the County.
3	Confirm your commitment to provide onsite staffing - 10/01 - 01/31/03 (10/hrs week - Oct; 5 hrs week November & December; 40 hrs. week for January)?	With our sales and service office located in the Phoenix area, we are able to make staff available for onsite assistance as outlined. The service team members that would participate in achieving the onsite requirement includes Maureen Harte, Account Manager; Heidi Battraw, Account Coordinator; Lee Ann Ferguson, Client Services Director; and Gina Matter, Regional Clinical Manager.
4	Confirm you can provide all your documents (written & electronic) in Spanish/English?	Currently, WHI is providing the following documents in written and electronic format in both Spanish and English: Mail Service order forms, program brochures, "Champion" newsletters, Mail Service promotional materials, Generic Usage education pieces, Walgreens retail pharmacy prescription labels. In addition, as other needs are identified, WHI will mutually work with the County to develop other materials.
5	Confirm you will notify Maricopa County of changes in network before they are communicated publicly (press) and to the employees?	Yes, our Network Management Team is in direct contact with each region through the Sales Director, Tim Bettner. Correspondence to key clients such as Maricopa County can and will take place as it regards any network terminations. It is our goal to minimize any customer inconvenience. This would be a proactive event instead of a reactive event.
6	Confirm you will agree to solicit a contract with the HMO pharmacy and MIHS pharmacy?	WHI is willing to approach any pharmacy to solicit participation in the County prescription drug program. However, the pharmacy will be required to pass WHI's credentialing requirements and agree to the network reimbursement terms specific to Maricopa County before participation will be granted.

7	Confirm your agreement to participate in joint operating meetings with other vendors?	Yes, we will participate in these meetings.
8	Confirm your willingness to initiate and participate in joint triage calls between vendors as appropriate in order to ensure minimal disruption to members?	WHI is willing to initiate and participate in joint triage calls between vendors as it pertains to Prior Authorizations, appeals, etc.
9	Confirm your agreement to allow Maricopa County to approve correspondence that goes out to all employees & dependents?	The County would have final approval authority in member communication material. Approval by a client of identification cards, card carriers and program overviews are a normal part of our operational process.
10	Confirm your agreement to attend initial rollout meetings to elected officials, appointed, etc. (less than 5 meetings)?	Yes, we will participate in these meetings.
11	Confirm your willingness to participate in separate open enrollment meetings for retirees at appropriate geographical locations?	Yes, we will participate in these meetings.
12	Confirm willingness to obtain eligibility and PCP data from the general medical provider?	WHI will work with a general medical provider authorized by the County to obtain eligibility files and primary care physician data for use in claims adjudication; provided that such medical provider agrees to work with WHI in such capacity. We will work closely with the vendor to develop file layout and transfer protocols to ensure timely, accurate eligibility.
13	Confirm your willingness to pay for rx outside of the network and/or at the university health centers at Maricopa County's direction?	WHI will provide the County with a "Direct Member Reimbursement" Claim Form. The County can provide this form to members that require a prescription outside of the network and need to be reimbursed. WHI will collaborate with the County to develop "DMR" protocols specific to the County's needs.
14	Confirm your reports include provider profiling and analysis (re: identify drug patterns)	Yes, WHI can provide this reporting.
15	Confirm you will provide the county a list of drug exclusions for mail order?	Yes, a list of drugs excluded from purchase through our mail service pharmacy will be provided. In addition, we will provide our recommendation for other drugs that would be best purchased in a retail environment.
16	Confirm you will agree to Monthly Service Meetings?	Yes, we will participate in these meetings.
17	Confirm you will agree to provide prescription/clinical data to GM & BH vendor?	With written permission from the County and within the confines of HIPAA regulations, WHI is able to provide prescription/clinical data to the GM and BH vendors.

18	Will you agree to a dedicated Customer Service Unit - Open Enrollment ongoing? (Team of people)	Overall performance in our Customer Service unit comes under the direction of Cathy Harkin RPh., Director of Member Services. WHI employs current technology that maximizes exposure to all pertinent information applicable to each of the plans that we manage. Information is stored and presented in such a way that attempts to minimize any customer wait times while at the same time providing essential information in a consistent professional manner. In-service instruction on each of our upcoming plans...including the parameters that make them unique are conducted well in advance of rollout. In addition, our local team in Phoenix is empowered with information and access to also minimize disruption and or improve the understanding of the County's program. It is important to know that certain aspects of the County's plan will have a dedicated team. The order entry area at our mail facility is divided in teams that would specifically handle the County's program. Working with the same plan daily yields a better understanding...especially with the mail service portion of a program. However, overall customer service is handled in a triage fashion by all member service representatives to maximize satisfaction of all our customers...The County will not be disappointed.
19	Confirm you will provide the county up to 6 access codes for online claims reporting at no charge (including ad hoc)?	Yes, we will provide up to 6 access codes for online claims review, eligibility, reporting and our online query tool at no additional charge.
20	Confirm your verbal representation of no charge for ad hoc reports?	Yes, we will provide ad hoc reports at no additional charge. It will be important to identify during implementation the various groupings of employees that will be required for reporting. This will enable us to best meet the County's reporting needs.
21	Confirm the \$1 per employee implementation fee credit be utilized by the county at its discretion, including to help fund home mailing of enrollment communications?	Yes, the County may choose how they utilize the \$1 per employee implementation fee credit.
22	Confirm the availability of an on-line system for eligibility changes at no additional cost?	Yes, we will provide up to 6 access codes to online eligibility at no additional charge.
23	Confirm willing to investigate development of a web-site that includes only information pertinent to the County plan that would include plan provisions, decision support, therapeutically equivalent alternatives, etc? What would be the target date for availability?	WHI and the Walgreen Company always strive to be on the cutting edge of developing those products that make both of our organizations as well as our clients more efficient and more satisfied with the overall partnership that exists. Development of Website enhancements is no different. Our Website manager, Jeffrey Ackerman, would assist both our teams in a willingness to enhance the "online" experience for your employees. Conservatively speaking, it would be our desire to meet the total needs of the County within the first six months of the program. Some of the functionality (hot links to your specific information on the county website) already exists and would be available from Day 1.
24	Describe your disease state management programs? Are there any costs to adopt?	Please refer to Attachment 1.
25	Describe your health screening programs? Are there any costs to adopt?	Please refer to Attachment 1.

26	Confirm HealthSelect can utilize the Walgreens contract at the contract fees & discounts for its covered population	Assuming HealthSelect is an extension of the County's membership, and plan design will be similar to that of the County, WHI confirms that HealthSelect can utilize the contract fees & discounts for its covered population.
27	Determine final plan design & pricing arrangements. Negotiate savings guarantees on any drug management activities that incur a separate charge?	It appears that Maricopa County is moving forward with a desirable 3-tier format pertaining to plan design. Covered and excluded drug categories will be at their discretion. WHI is available as promised to provide our expertise in coverage recommendations. Final rebate/administrative quotes remain dependent on the specifics of the formulary agreed upon. It would be our recommendation...first clinically and then financially...for the County to utilize the expertise of our WHI formulary team and the daily support of our Clinical Team led by Gina Matter. As quoted in our original proposal, the specifics of our Retro Drug Utilization Program come with a "cost neutrality" guarantee. This quality of care review, while an optional program, should be a part of every drug plan. The safety net it provides truly is "priceless." However, given the population size of your group and our confidence in the product, the guarantee of \$0.30/claim savings as a bottom line still stands. With the cost at \$0.30 per claim, this becomes a cost neutral program at the very least. Additional responses to the final pricing arrangements are provided in the enclosed cover letter.
28	Confirm your agreement to the countys requested on-site Staffing Commitment -2 hours every other week?	Yes, we will commit to onsite staffing for 2 hours every other week. The service team members that would participate in achieving the onsite requirement includes Maureen Harte, Account Manager; Heidi Batraw, Account Coordinator; Lee Ann Ferguson, Client Services Director; and Gina Matter, Regional Clinical Manager.
29	Confirm your willingness to perform Welcome Calls to county retirees (approximately 300)	Yes, scripts for these calls will be developed and approved with the County for our initial transition.
30	Confirm willingness to produce ID cards including general medical and behavioral health information at no additional cost to county	Yes, we can provide a "combination " id card for the County at no additional cost. The card would be developed and approved with the County, WHI and the other vendors. As indicated in our fee section, original card production comes as part of the overall plan at no additional cost. Replacement cards as with most vendors do come with a nominal fee per reissuance.
31	Provide your Best and Final pricing on all fees, discounts and rebates assuming the county pays generics at 25% (\$2 min, \$10 max), preferred brand at 30% (\$5 min, \$25 max), and non-preferred brand at 30% (\$20min, \$50 Max), and an annual out-of-pocket maximum of \$1500 individual, \$3000 family	Please refer to the enclosed cover letter dated 6/24/02.

Exhibit B-2
Walgreens Health Initiatives Performance Guarantees for Maricopa County

	STANDARD	GUARANTEE	REPORTING/ MEASUREMENT
ACCOUNT MANAGEMENT			
1. Contract (Scope of Work) Delivery	Contract (Scope of Work) to be delivered to the County two months before plan effective date of January 1, 2003	In the event WHI does not meet this standard, we will pay a \$500 penalty for each 7 days late up to \$4,000 maximum.	On time delivery
2. Implementation Support	As outlined in Section 18.3 of the Scope of Work, WHI will support the implementation efforts of Maricopa County with local staff support within the time frames and dates proposed.	For each 2 hour increment that WHI does not meet the standard (which does not apply if meetings are cancelled) WHI will pay a \$200 penalty up to a maximum of \$4,000	Recorded follow-through
3. Attendance at quarterly meetings	WHI Account management to be in attendance for each regularly scheduled quarterly meeting.	For each regularly scheduled and mutually agreed upon meeting account management does not attend, WHI will pay a penalty of \$500 or a maximum of \$2000 per year.	There will be no penalty assessed for meetings cancelled or rescheduled under mutually agreeable terms.
4. Delivery of enrollment materials	Enrollment materials to be defined as ID cards, mail service communications and any other mutually agreed upon items will be delivered to plan or plan members per terms prior to January 1, 2003.	If WHI bears the fault for lack of delivery of said items; a penalty of \$200 per day beyond the delivery date will be assessed to a maximum of \$2000 .	On time delivery
5. Client-Specific Member Satisfaction Survey	Provide an industry-standard client-specific member satisfaction survey (subject to prior review by County) after completion of 6 to 9 months of implementation.	If WHI fails to distribute and said survey to Members, WHI will be assessed a penalty of \$4,000 .	On time delivery
6. Participant Satisfaction	90% of participants shall rate satisfied with the service in response to questions on survey referenced in #5, above.	If the score is greater than or equal to 90%, no penalty will be assessed. If the score is between: 89% - 85%, a \$500 penalty will be assessed 84% - 80%, a \$1,000 penalty will be assessed 79% - 75% , a \$2,000 penalty will	Survey report results which will include an executive summary and, if applicable, action plan which address any deficiencies

	STANDARD	GUARANTEE	REPORTING/ MEASUREMENT
		be assessed 74% - 70 %, a \$3,000 penalty will be assessed Less than 70%, a \$4,000 penalty will be assessed	
7. Account Maintenance	<ul style="list-style-type: none"> ➤ Accurately and timely delivery of eligibility data to non-WHI vendors ➤ Accurate 'group' file set up ➤ Accurate and timely updates of the 'benefit' plan file to reflect all changes in formulary management 	Failure to meet this performance standard based on a mutually agreed upon date for start-up and going forward, will result in a \$500 penalty for one or all of the items per occurrence, up to a \$2,000 maximum.	On time delivery

RETAIL PLAN			
1. Timely ID card production	For mailings that occur <u>after</u> January 1, 2003, WHI to have ID cards, formularies and mutually agreed upon communication materials mailed within 15 days after receipt of files.	If WHI bears the fault for lack of delivery of ID cards (excluding 1/1/03 enrollment materials referenced in #4, above), a penalty of \$400 per day beyond the delivery will be assessed to a maximum of \$4000 .	On time delivery
2. Customer Service call answer speed	80 percent of all calls will be answered within 20 seconds.	Failure to meet standard, WHI will pay a penalty of \$400 for each full percentage point below 80 percent as measured quarterly, to a maximum of \$2000 annually.	WHI internal monitoring and reporting.
3. Customer Service average call abandonment rate	Less than 5 percent of all calls will be abandoned.	Failure to meet standard, WHI will pay a penalty of \$400 for each full percentage point above 5 percent as measured quarterly, to a maximum of \$2000 annually.	WHI internal monitoring and reporting.
4. System Downtime	The system will be available for online point-of-sale retail and mail claims processing at least 99 percent of the scheduled time.	A penalty of \$500 for each full percentage point below this standard measured annually up to a maximum of \$2000 annually.	Internal systems report generates monthly uptime progress report.
5. Turnaround time for processing "clean" paper claims	Direct Member Reimbursement (DMR) is provided for out of network pharmacy claims, as agreed upon when the program is established. WHI processes direct member reimbursements within 14 calendar days of 'clean' claim receipt.	Failure to meet this standard will result in a \$50 per occurrence penalty up to a maximum of \$2000 annually.	Per occurrence through member and customer service interaction. All inbound and outbound documents are date-stamped.
6. Paper Claims adjudication accuracy	WHI guarantees that 99.5 percent of all paper claims entered into our processing system by WHI or its designee will be adjudicated (processed) accurately and in accordance with the client's defined plan specifications.	Failure to meet this performance standard, as measured annually, will result in a penalty of \$100 for each full percentage point below the standard, to an annual maximum of \$2000 .	Internal audit and/or member discrepancy reporting.
7. Timely reporting	Management reports will be produced and distributed by the 25 th of the month following the reporting period.	Failure to meet this performance standard will result in a \$200 penalty per occurrence with a maximum annual penalty of \$2000 .	On time delivery

8. Accuracy of reporting	WHI guarantees an accuracy rate of 99.5 percent for our standard reporting package, measured quarterly, in the aggregate.	Failure to meet this figure will result in a \$200 penalty per occurrence to an annual maximum of \$2000 .	Internal audit processes or client discrepancy reporting as confirmed by WHI.
9. Billing accuracy	WHI guarantees an accuracy rate of 99.5 percent for our invoicing statements.	Failure to meet this figure will result in a \$200 penalty per occurrence to an annual maximum of \$2000 .	Internal audit processes or client invoice discrepancy as confirmed by WHI.

MAIL SERVICE PLAN			
1. Customer Service average call answer speed	80 percent of all calls will be answered within 20 seconds.	Failure to meet standard, WHI will pay a penalty of \$400 for each full percentage point below 80 percent as measured quarterly, to a maximum of \$2000 annually.	WHI internal monitoring and reporting.
2. Customer Service average call abandonment rate	Less than 5 percent of all calls will be abandoned.	Failure to meet standard, WHI will pay a penalty of \$400 for each full percentage point above 5 percent as measured quarterly, to a maximum of \$2000 annually.	WHI internal monitoring and reporting
3. System downtime	The system will be available for retail and mail order claims processing at least 99 percent of the scheduled time, as referenced in #4, above.	System downtime with respect to WHI processing would fall under the standard and guarantee as established above in #4 for PBM processing.	Internal systems report
4. Turnaround time for processing "clean" claims	90 percent of all prescriptions received, not requiring patient, physician, or client intervention, will be filled within three business days.	As measured quarterly, if the total unfilled prescriptions exceeds 10% after the third business day, WHI will incur a penalty of \$200 for each full percentage point over that third day standard, to a maximum of \$2000 annually.	Internal facility log reporting

<p>5. Turn around time for claims requiring additional review</p>	<p>100 percent of "exception" prescriptions will be filled, returned, or patient contact will be initiated within 15 business days.</p>	<p>Should a documented exception go through without some form of commercially reasonable contact within 15 days, each occurrence shall incur a \$50 penalty up to an annual maximum of \$2000</p>	<p>Customer intervention documented by date stamped materials.</p>
<p>6. Claims Adjudication Accuracy</p>	<p>WHI guarantees that 99.5 percent of all mail service claims entered into our processing system by WHI or its designee will be adjudicated (processed) accurately and in accordance with the client's defined plan specifications.</p>	<p>Failure to meet this performance standard, as measured annually, will result in a penalty of \$200 for each full percentage point below the standard, to an annual maximum of \$2000.</p>	<p>Internal Audit reports in addition to any client/member generated inquiries.</p>
<p>7. Timely reporting</p>	<p>Management reports will be produced and distributed by the 25th of the month following the reporting period.</p>	<p>As the mail service unit is a provider under the PBM umbrella reports the above standard/guarantee will oversee.</p>	<p>On time delivery</p>
<p>8. Accuracy of reporting</p>	<p>WHI guarantees an accuracy rate of 99.5 percent for our standard reporting package.</p>	<p>As the mail service unit is a provider under the PBM umbrella reports, the above standard/guarantee will oversee</p>	<p>Internal audit process or client reports discrepancy.</p>
<p>9. Billing accuracy</p>	<p>WHI guarantees an accuracy rate of 99.5 percent for our invoicing statements.</p>	<p>Billing of the County is administered by WHI and would fall under the standard and guarantee set above.</p>	<p>Internal audit process or client invoice discrepancy.</p>

EXHIBIT C

CONTRACT AMENDMENT

CONTRACT 01178-RFP

Maricopa County /Walgreens Health Initiatives (WHI)

The following items detail in bullet point presentation style, a list or scope of services that Walgreens Health Initiatives (WHI) will fulfill in managing the prescription drug benefit for the employees and dependents of Maricopa County. The purpose of this document dated October 2003 is to include an additional estimated 6,700 covered lives formerly receiving pharmacy benefits through a different pharmacy benefit manager. With the additional lives from the HealthSelect segment, this will incorporate an improved economic position for “all” of the existing commercial lives (estimated at 22,000) currently administered by WHI. Some items have been extrapolated from our standard service agreement while others are a direct result of the presentations and requests of the Maricopa County Department of Materials Management. We respectfully submit the following:

- In general terms, WHI manages prescription benefit programs that include the dispensing of prescription drugs by and through WHI’s network of retail community pharmacies (“Participating Pharmacy (ies)”) and arranges for prescription benefit management and claim processing services for sponsors of various health benefit plans or programs such as Maricopa County.
- It is the intent of WHI to expand the retail network to include those pharmacies desired by the County that can comply with the negotiated terms and credentialing requirements of WHI’s pharmacy provider network. As previously discussed, every effort will be made at the Director level to inform the County of any anticipated changes to the described network before they would be made public information. WHI may add or terminate participating pharmacies to or from its network at WHI’s sole discretion. Effective January 1, 2004, this network of pharmacies will include all of the current Family Health Centers (FHC) and the Comprehensive Health Clinic (CHC) pharmacies that have served the membership of HealthSelect. These pharmacies will submit claims electronically via the current NCPDP standards applicable to the WHI standards for retail network prescriptions.
- WHI also manages a prescription benefit that includes the dispensing of prescription drugs by a mail service pharmacy (“Participating Mail Service Pharmacy”).
- WHI also makes available the services of our Internet Pharmacy, “Walgreens.com” for the services required of the prescription benefit management agreement
- WHI will provide the prescription benefit management services described in the Agreement and/or as otherwise mutually agreed to by the parties in writing, including, but not necessarily limited to, general support and consultative services regarding pharmacy benefit design and implementation, formulary management, administrative and claims processing services, standard reporting packages, marketing, quality management and utilization management functions. In addition, WHI may develop and implement certain additional clinical intervention programs that may be desired by the County, subject to terms and conditions to be agreed in writing between the parties.
- Pursuant to the County or its designated agent supplying information specific to membership eligibility/enrollment, copayment information and benefit coverage in a mutually agreed upon format, WHI will make this information available to participating pharmacies at the time of dispensing through the online electronic transmission link maintained between WHI and its participating retail and mail service pharmacies.

- Identification cards, whether produced by WHI or the County will serve only the purpose of member identification, not member eligibility. Eligibility as stated, will be established at the time of dispensing through the Online Eligibility System.
- WHI as the authorized prescription benefit manager would perform formulary management and other clinical services to be described in the general agreement. These services will include, but not necessarily limited to, generic or therapeutic prescription drug substitutions and other measures that are deemed appropriate to effectuate formulary management. WHI and the County acknowledge that the prescribing physician has ultimate authority to determine which drug is prescribed to a Member.
- As a result of the formulary management services referenced above, WHI will receive and appropriately distribute based upon resulting contractual agreements, rebates or other incentive payments from certain drug manufacturers in connection with the prescription drugs dispensed to the County's members. All claims submitted by the Family Health Centers (FHC) and the Comprehensive Health Clinic (CHC) pharmacies will be exempt from rebate or incentive payment submission both to certain drug manufacturers as well as rebate payments to Maricopa County.
- For those clinical programs that may require certain medical claims information (such as, but not necessarily limited to, retrospective drug utilization review, RDUR), WHI will look to the County or its designated agent to provide such member-related data in a complete and accurate format and time frame to be mutually agreed up by the parties.
- WHI will, at the request of the County, provide "access" to the "System" which will allow the County's specified personnel to view, enter and/or manipulate information residing on the System. The County has asked for and WHI acknowledges the requests for six (6) access codes to be included in the overall agreement. Training is to be provided via the County's day to day account management team located here in Phoenix, AZ. Conditions and instructions relating to the receiving and continuation of "System Access" will be explained through orientation.
- In addition to the identification cards, WHI will provide its standard introductory materials for issuance to Members. Where appropriate and mutually agreed upon, various materials are also available in Spanish, either via paper or electronic media. This would include mail service order forms, program brochures, "Champion" newsletters, mail service promotional materials, generic usage education pieces and Walgreens retail pharmacy prescription labels. Any correspondence to membership is pre-approved by the County.
- With regards to the actual dispensing process involving the contracted providers in WHI's network, services will be provided to Members upon the following terms and conditions:
 - (a) Upon presentation by a Member or his/her agent of the identification card, receipt of appropriate prescriptions, and any required copayment, the Participating Pharmacy or Participating Mail Service Pharmacy will compound and dispense all qualified prescriptions and covered drugs pursuant to the pharmacy benefit information provided by the County to WHI and communicated by WHI to such Participating Pharmacy or Participating Mail Service Pharmacy via the Online Eligibility System at the time of dispensing, subject to legal restrictions and professional ethics and professional judgment.
 - (b) The Participating Pharmacy will collect any applicable copayment or deductible amount from each Member for each covered prescription, as indicated by the Online Eligibility System at the time of dispensing, except when the Participating Pharmacy's usual and prevailing retail charge for the prescription is less than the copayment. In these cases, the Participating Pharmacy will collect the usual and prevailing retail charge in lieu of the copayment. In the case of mail order prescription services, each Member must transmit with the order to the Participating Mail Service Pharmacy the applicable copayment fee for each prescription or refill covered by this Agreement.
 - (c) The Participating Pharmacy and/or Participating Mail Service Pharmacy may withhold prescription services to a Member for good cause, including, but not necessarily limited to, Client's nonpayment of prescription services provided to Members; the Member's failure to pay for services rendered (e.g., copayment); requests by Member for quantities of drugs in excess of prescribed amounts or refill

- limitations pursuant to the pharmacy benefit information; or where, in the professional judgment of the dispensing pharmacist, the prescription should not be filled.
- (d) (d) The Participating Pharmacy and/or Participating Mail Service Pharmacy will attempt to dispense generic drugs in lieu of prescribed brand name drugs if commercially available and consistent with the dispensing pharmacist's professional judgment and state and federal law.
 - (e) Mail order prescriptions will be sent to Members from the Participating Mail Service Pharmacy via United Parcel Service, United States Postal Service, or any other method the Participating Mail Service Pharmacy may select. Risk of loss or damage to covered drugs provided hereunder is on the Participating Mail Service Pharmacy until such prescription drugs have been delivered to Member. Certain products that would require cold-pack type shipping methods as recommended by manufacturer, will be handled appropriately. The cost of shipping will be borne by the Participating Mail Service Pharmacy. Members will pay, or reimburse Participating Mail Service Pharmacy, as applicable, for all additional expenses due to expedited delivery requested by Member.
 - (f) For prescriptions that are filled outside of the network and are approved by the County, WHI provides a Direct Member Reimbursement (DMR) program. The County can provide a DMR form to members for their reimbursement. WHI will work with the County to set appropriate protocols specific to their needs.
- WHI is responsible for reasonable costs associated with its development and printing of standard marketing materials that WHI provides to Client in connection with this Agreement; provided, however, that all costs associated with the distribution of such materials to Members are the sole responsibility of Client.
 - With regards to billing, WHI will invoice the County following the close of each twice-monthly billing cycle. Such invoices may include, but not necessarily be limited to, prescription claims, administrative fees and/or any other costs and charges specified in the agreement. Once payment has been received within the mutually agreeable dates and terms (typically 15 days from invoice), WHI will pay claims independently for services provided by participating pharmacies and the participating mail service pharmacy.
 - A mutually agreed upon WHI's Clinical Pharmacist and Account Manager will work with the county in our commitment to satisfy the County's reporting needs. This will include but not necessarily be limited to standard management reports, provider profiling and analysis (i.e. identifying drug patterns), ad hoc reporting needs, recommendations on drug coverages-exclusions and plan designs.
 - In addition, our clinical staff will work with the county to incorporate disease management programs as previously described or other health screenings and wellness programs that are deemed appropriate for the County. As with all programs, mutually agreeable terms for specialized programs will be discussed.
 - The following comments relate to our commitment of support personnel as well as providing general educational assistance throughout implementation as well as employee enrollment meetings.

WHI commits to participate in joint operating and triage meetings with the County's other vendors. This will also include our attendance at the initial rollout meetings that may involve elected and appointed officials. Initial expectation is less than 5 meetings of this sort. WHI will also support special enrollment meetings with retirees at appropriate geographical locations.

Our WHI team will support the County's Monthly Service Meetings as well as an onsite staffing commitment of 2 hours every other week.

- WHI agrees to conduct a County-specific member satisfaction survey beginning on a mutually agreeable date (suggestion of 1 year anniversary date or thereafter). Results to be tabulated and provided to the county or designated agent.

MARICOPA COUNTY

TITLE

SIGNATURE

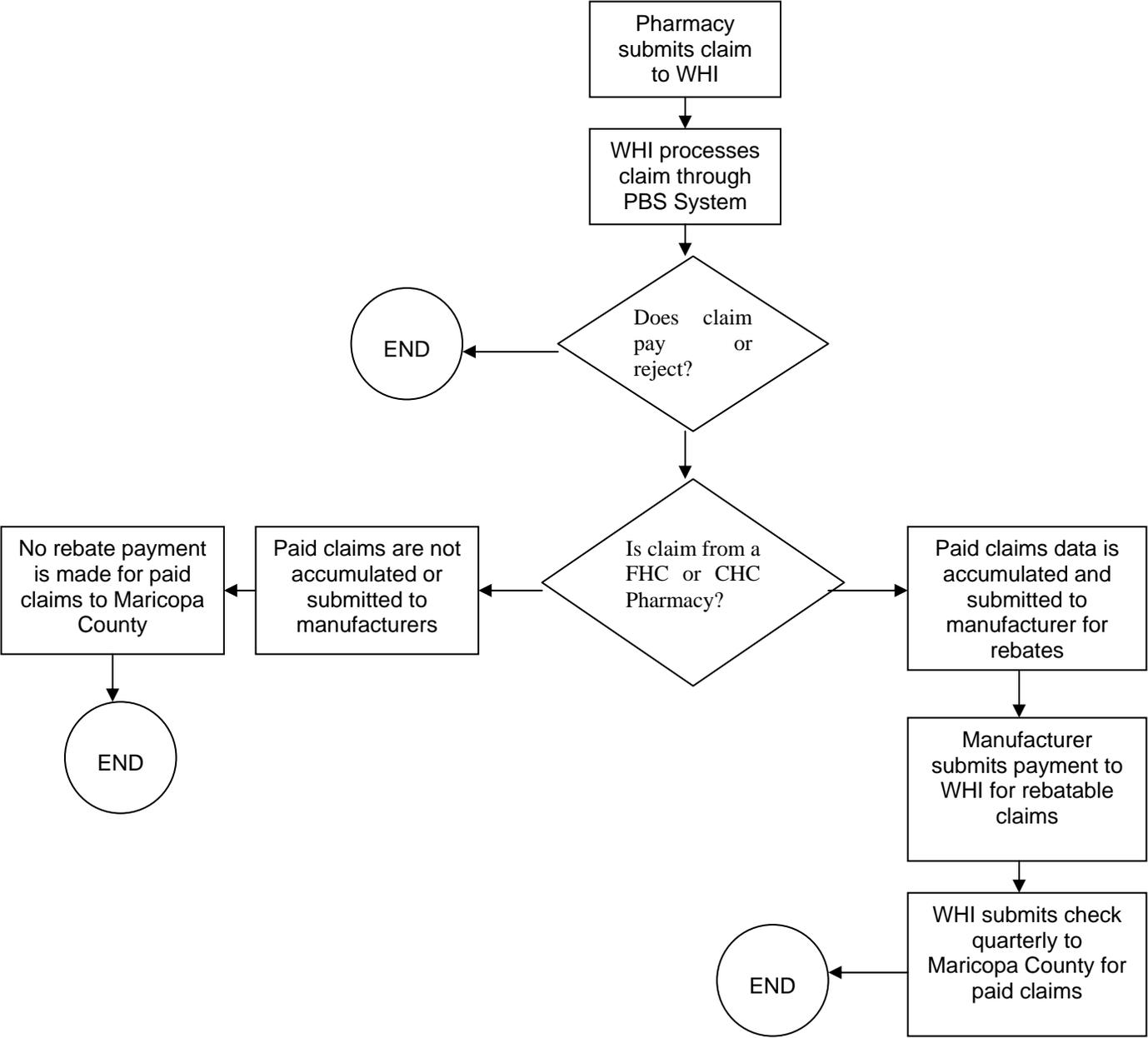
DATE

WALGREEN'S HEALTH INITIATIVES (WHI)

TITLE

SIGNATURE

DATE:



NOTE: Quarterly payment is made 270 days from the end of the quarter

ATTACHMENT 1

A. Disease State Management

Our population-based Disease State Management (DSM) services combine the best of personalized nurse counseling with advanced analytic tools and Internet support to help you meet your clinical, financial, and operational goals. With a rapidly-growing number of asthma, diabetes, and congestive heart failure referrals being actively managed or co-managed across multiple conditions, you can benefit from superior systems and accurate tracking and measurement tools with proven results. Available programs include Asthma, Diabetes, Congestive Heart Failure, Coronary Artery Disease, and Smoking Cessation.

Tailored to meet your needs, Disease State Management services follow national guidelines and feature the following :

- Disease state identification and profiling of contacted members;
- Enrollment rates of contacted members up to 70 percent;
- Clinically rigorous risk-assessment and stratification;
- Personalized, protocol-based interventions, including:
 - ⇒ Nurse assessments
 - ⇒ Formal education modules an nurse counseling
 - ⇒ Written support materials
 - ⇒ On-demand, 24x7 symptom evaluation
- Online information and services'
- Regular communication with participant's prescribers;
- Your choice of web- or paper-based reporting.

Aggregate Outcomes

Our DSM program has reduced Healthcare System utilization and lowered costs. Results to date have ranged up to:

- 53 percent reduction in average in-member costs;
- 38 percent reduction in hospitalizations;
- 36 percent reduction in ER visits;
- 25 percent reduction in average length of stay.

Our DSM programs have shown improved outcomes and member/provider satisfaction:

- 47 percent improvement in symptom control;
- 28 percent of members reported fewer missed workdays;
- 96 percent member satisfaction with the program;
- 86 percent provider satisfaction with the program;
- 94 percent of members had a more positive attitude about employer/health plan.

Comprehensive Record Keeping

Our DSM program provides an extensive data reporting set.

- Person-based record of contacts/medical history;
- Common platform for tracking, reporting and analysis;
- In-house claims-based research and documentation.

Modular Options

Our DSM program features:

- Referrals to and from other optional care management services including Nurse Triage, case management, and utilization management;

- Seamless management of co-morbidities.

Pricing

Pricing for these disease state management programs are as follows:

Asthma	\$0.37 per member per month
Diabetes	\$0.56 per member per month
Congestive Heart Failure	\$0.25 per member per month
Coronary Artery Disease	\$0.28 per member per month
Smoking	\$0.26 per member per month

B. Care Management Services

In addition to the comprehensive DSM programs offered, WHI also offers the *Keys to Healthier Living*TM Care Management (CM) programs designed to inform and educate those members with specified chronic ailments that result in the highest dollar spend for treatment.

The *Keys to Healthier Living*TM program involves:

- Identifying plan members currently receiving treatment for such ailments;
- Analyzing drug therapy the member currently receives for his/her ailment;
- Determining whether the drug therapy is the most effective treatment available (both clinically and financially); and
- Intervening, as appropriate, with both the prescriber and the member in an attempt to bring both the drug therapy and its adherence into accord with optimal treatment patterns based on best practice prescribing parameters.

Care Management programs are predicated on the assumption that members adhering to the “best” drug therapy have a lower incidence of hospitalization and reduced morbidity, which translates into potential significant savings for plan payers. WHI’s Care Management programs, discussed below, include:

- Asthma
- Diabetes
- Smoking Cessation

These programs have been implemented over small and large geographic populations. Population size depends on the client size, however the average population size ranges from 50 to 300 members for one program. All CM programs involve one of two education/intervention options:

- Targeted, educational mailings to members and their respective providers;
- Targeted, educational mailings and phone calls to members, with targeted mailings to the member’s respective provider.

Asthma Health Management Program

Goal: The goal of the Walgreens Health Initiatives *Keys to Healthier Living*TM Asthma Health Management Program is to identify and educate asthmatics and their respective prescribers, in order to decrease asthma-related healthcare resource utilization and improve utilization of appropriate asthma medications.

Asthma Program Protocol

1. Member Identification: All asthma members are identified based on separate, internally developed criteria evaluating member prescription utilization data and medical claims data (when provided)
2. Member/Provider Interventions: Each identified member receives an asthma binder including 6 educational books covering the basic facts on asthma and asthma management, an asthma diary and a peak flow meter record to track their peak flow

measurements. Each member’s respective provider receives a Clinical Practice Guideline Tool which highlights the cornerstones of the National Asthma Education and Prevention Program, Expert Panel Report II 1997 (NAEPP II). This tool promotes and reinforces appropriate treatment of asthma as an inflammatory disease and the use of anti-inflammatory control therapy in all members with *persistent* asthma.

3. The outcomes of the program are collected using prescriptions claims data and member self-reported data in order to assess the impact of the program and member satisfaction.

Program Results and Savings (n = 130)

- 69 percent decrease in hospitalizations 1 year post intervention (self-report)
- 59 percent decrease in ER visits 1 year post intervention (self-report)
- 33 percent decrease in unplanned MD visits 1 year post intervention (self-report)

Diabetes Health Management Program

Goal: The goal of the Walgreens Health Initiatives Diabetes Health Management Program is to identify and educate diabetics, in order to decrease diabetes-related healthcare resource utilization and improve utilization of appropriate diabetes medications and monitoring tools.

A key strategy in preventing the progression of diabetes is aggressive blood glucose monitoring. Glucose levels that remain elevated for substantial periods of time positively correlate with the progression of the disease and deterioration of organ systems. Health management for diabetes can begin by increasing public awareness of the disease and educating the diabetic population to aggressively monitor blood glucose levels.

1. Member Identification – All diabetes members are identified based on separate, internally developed criteria evaluating member prescription utilization data and medical claims data (when provided).
2. Member/Provider Interventions - This program features educational mailings to all identified diabetes members. Each diabetes member will receive the following education materials covering various topics relating to diabetes management over a twelve-month period. The intervention tools include:
 - ⊖ Diabetes Book
 - ◆ Provides a comprehensive overview of diabetes, diabetes medications, exercise, blood sugar monitoring, complications of diabetes and coping mechanisms
 - ⊖ Monthly Health Reminder Note cards — one note card delivered every month for twelve months
 - ◆ Provides health “reminders” and other management tips to help members manage their diabetes and maintain their health
 - ⊖ Educational Pamphlets — one pamphlet every four months
 - ◆ Meals and Monitoring
 - ◆ Insulin and Monitoring
 - ◆ Diabetes Pills and Monitoring
3. The outcomes of the program are collected using prescriptions claims data and member self-reported data in order to assess the impact of the program and member satisfaction.

Program Results - based on our experience, a 7.6 percent to 9.2 percent increase in blood glucose strip utilization has been seen. These results are positive in that aggressive glucose monitoring has shown to slow the progression of the disease and deterioration of organ systems.

Smoking Cessation

Goal: The goal of the Walgreens Health Initiatives Smoking Cessation Program is to assist motivated members in their desire to quit smoking and to educate their respective prescribers regarding methods to assist their members in the quit process. The ultimate goal is to increase the overall smoking quit rate within the member population, thereby improving employee productivity and decreasing smoking associated medical costs.

1. Member Identification – Health plan members will be recruited to enter an intensive twelve-week smoking cessation program through worksite/health plan advertising via a payroll stuffer and/or posters. Members elect to participate in the program by calling a clinical pharmacist on the Clinical Services Hotline.
2. Member/Provider Interventions – Upon enrollment, the pharmacist gathers baseline demographic information and assesses the member’s level of nicotine addiction using the Fagerstrom Test for Nicotine Dependence. Based on the survey results and member preferences, a pharmacological method to help the member quit is recommended to the member and member’s prescriber via a fax-form. Upon entering the program, the participant is mailed an educational binder consisting of seven sections covering topics such as “what to expect when you quit smoking,” “withdrawal symptoms and coping mechanisms,” “medication information,” and “family and friends information.”

Following enrollment and receipt of the Smoking Cessation binder, members receive an additional three phone calls from a pharmacist to provide individualized counseling and assist them through the quitting process. Timing of the calls correspond to the highest risk of relapse, with the one phone call occurring within three days of the quit date. Additionally, at thirty, sixty, and ninety days, participants will receive correspondence from the coordinating pharmacist to motivate and refer them to the program binder for support.

3. The primary outcome of the program is the quit rate, which is self-reported by the participant at 12 weeks, 6 months and 1 year.

Program Results – To date, two clients are currently enrolled in this newly developed program. Currently, the twelve-week quit rate is 12.4 percent. The six-month and one-year quit rates have not yet been collected.

CARE MANAGEMENT PROGRAM	PRICE PER PATIENT
Asthma	\$60 – Mail \$180 – Phone \$800 – RT Program
Diabetes	\$30
Smoking Cessation	\$150

C. Health Evaluation Program

This program provides a thorough screening program to participants including:

- ◆ Blood Chemistry Profile – 24 individual tests to help detect diabetes, kidney disease, liver disease, bone and muscle disease and more; also analyzes total cholesterol, LDL and HDL cholesterol and triglycerides.
- ◆ Complete Blood Count – 9 individual tests to help detect anemia, leukemia, bleeding abnormalities, infection and more.
- ◆ Blood Pressure Analysis – to help detect hypertension or hypotension.
- ◆ Medical History Review – A review of the participant’s personal and family medical history that is used to more accurately assess health risks, evaluate screening results, and provide information on targeting personalized health information to the person.

PATIENT INTERVENTION – Patients are provided a personalized, easy to read health report to help them understand their overall health status, how to effectively manage their health, and guide them toward appropriate follow-up or intervention if it is needed.

PHYSICIAN INTERVENTION – A personalized physician letter is provided which summarizes the patient’s test results and gives them direction on what type of follow-up may be needed. A copy of the actual laboratory test results that can be forwarded by the patient to their physician accompanies this letter. The Health Evaluation is priced at \$65.00* per patient.

* Staffing and Expenses can incur an additional charge and certain minimum fees may apply. Health screenings are provided by Myhealthlink, a nationally based wellness organization.

D. Walgreens Patient Care Center

In addition to the Health Evaluation Program described above, Walgreens Health Initiatives is pleased to offer to Maricopa County our Patient Care Center. Located at 22280 N. 67th Avenue, in Phoenix, this specially equipped pharmacy is able to provide the latest in wellness screenings. Melanie Chenet, R.Ph., manages the Patient Care Center and is available to provide the following screenings to members:

- | | |
|---------------|---------------|
| Diabetes | Heart Disease |
| Breast Cancer | Osteoporosis |
| Menopause | Asthma |

Melanie and the Patient Care Center are fully mobile and able to support the County’s account team at local health fairs and screening sites. These services are available to the County at no additional charge to the County when funding support can be provided by pharmaceutical manufacturers. Gina Matter will work with the County to develop and implement a program that best suits the County’s needs.

**EXHIBIT D
AMENDMENT #2 TO 01178-RFP
CONTRACT FOR SERVICE PURSUANT TO RFP
MARICOPA COUNTY SERVICE AGREEMENT**

This Amendment No. 2 to Contract for Services Pursuant to RFP (Serial 01178-RFP-2), hereinafter referred to as "Amendment No. 2," is entered into by and between Walgreens Health Initiatives, Inc., an Illinois Corporation doing business at 1411 Lake Cook Road, Deerfield, IL 60015, hereinafter referred to as "WHI" or "Contractor," and Maricopa County, a political subdivision of the State of Arizona, located at 301 W. Jefferson, Phoenix, AZ 85003, hereinafter referred to as "County," agree as follows:

RECITALS

1. County and Contractor are parties to that certain Contract for Services Pursuant to RFP (Serial 01178-RFP-2) effective as of August 19, 2002, as amended ("Contract"); and
2. The parties desire to amend certain of the terms of the Contract.
3. The first paragraph of Section 4.4 of the main body of the Contract is deleted in its entirety and replaced with the following:

County may unconditionally terminate this Contract for convenience by providing three hundred and sixty (360) calendar days' advance notice to the Contractor

Therefore, in consideration of the covenants and agreements set forth herein, County and Contractor agree to amend the Contract as set forth in this Amendment No. 2, effective the later of July 1, 2008, or the date this Amendment No. 2 is fully executed (the effective date).

1.0 Work-Site Pharmacy for Maricopa County Eligible Employees and Dependents (i.e. Members). The parties will comply with the following terms and conditions:

- 1.1 Work-Site Pharmacy. In addition to the services described in the Contract, the parties agree by way of this Exhibit D that WHI will include in County's network a work-site pharmacy within a County-owned facility, which pharmacy will provide pharmacy services to eligible employees and dependents (members) ("Work-Site Pharmacy"). County hereby consents to the provision of Work-Site Pharmacy services as described in this Exhibit.
- 1.2 Definitions. All defined terms used in this Exhibit will have the meanings established in the Contract.
- 1.3 WHI Responsibilities for Work-Site Pharmacy Services. WHI acknowledges responsibility for and agreement with the following:

- 1.3.1 The inclusion of the Work-Site Pharmacy within County's network of Participating Pharmacies, which Work-Site Pharmacy will be established and operated by Walgreen Arizona Drug Co.
- 1.3.2 All space improvement needed, as reasonably determined by WHI and agreed to by Maricopa County, to convert the space to a Work-Site Pharmacy in accordance with the terms and conditions of this Exhibit D. County will either approve or disapprove of WHI's planned space improvements in writing within 30 days of receiving notice from WHI. Notwithstanding the foregoing, County shall not unreasonably withhold its consent to WHI's space improvements.
- 1.3.3 All repair and maintenance of Work-Site Pharmacy's equipment and improvements.
- 1.3.4 The staffing of all personnel required, as reasonably determined by WHI, for the Work-Site Pharmacy. All pharmacists working in the Work-Site Pharmacy are to be appropriately licensed by the State of Arizona or other applicable licensing authority.
- 1.3.5 The disposal of all hazardous waste generated by the Work-Site Pharmacy.
- 1.3.6 The Work-Site Pharmacy will only be open to and serve eligible County employees and their dependents.
- 1.3.7 The operation of the Work-Site Pharmacy at a minimum of 5 days a week (Monday-Friday) with mutually agreed upon standard hours, excluding holidays, and any additional days open or closed to be mutually agreed upon in writing between the parties.
- 1.3.8 The use of only a County-approved contractor for build out construction. County shall present WHI with a list of approved contractors, from which WHI will make its choice for build out of Work-Site Pharmacy.
- 1.3.9 **The requirement that all Work-Site Pharmacy personnel pass a County background check.**
- 1.3.10 All telephone and data line requirements within the Work-Site Pharmacy and the associated costs.
- 1.3.11 All supplemental security alarm equipment within the Work-Site Pharmacy and the associated costs.

- 1.3.12 Subject to applicable law, the provision to County of access to the space during normal business hours while accompanied by Work-Site Pharmacy personnel.
- 1.3.13 Requiring the Work-Site Pharmacy to meet all applicable federal, state and local laws, regulations and licensing requirements.
- 1.3.14 Obtaining the County's prior approval of all signage at the Work-Site Pharmacy, which approval will not be unreasonably withheld.
- 1.3.15 Mutually agreed upon non-prescription inventory will be offered for sale in the Site.

2.0 Fees for Work-Site Pharmacy Space.

- 2.1 WHI has agreed to pay County for the licensed space occupied by the Work-Site Pharmacy via a monthly PBM services invoice credit in an amount equal to \$30.00 per square foot per year. This amount reflects the fair market value for the licensed space and is not based in any part on claims volume or any anticipated referrals.
- 2.2 County will pay WHI for the dispensing services provided at the Work-Site Pharmacy, net of any applicable copay, at the rates set forth in Exhibit A of the Contract.
- 2.3 Any prescription claims submitted by Work-Site Pharmacy will be subject to Exhibit A of the Contract, or as otherwise amended, which outlines the Manufacturer Incentive payment structure for County.

3.0 County Responsibilities.

- 3.1 County grants to WHI a license to use and occupy 1105 square feet of space on the second floor of the County Administration Building, 301 West Jefferson, Phoenix, Arizona 85003 ("Building") for WHI's sole and exclusive use for the term of the arrangement set forth in this Exhibit ("Site"). The floor plan of the Site is set forth in Exhibit I - Floor Plan, attached hereto and incorporated herein.
- 3.2 County will provide the Site in good condition as an unfinished shell, zoned and suitable for use as a pharmacy, with all utilities stubbed to the Site in accordance with WHI's specifications. County will install a security mesh meeting WHI's specifications within the partition walls surrounding the Site.
- 3.3 County will provide all janitorial service, building services, heating, air conditioning, electrical services, telephone and data lines, Building security, water and sewer to the Site to meet WHI's requirements.

- 3.4 County will be responsible, at no cost to WHI or any of its affiliate companies or Participating Pharmacies, for maintenance of, including repairs to, the Building exterior, roof, common areas, and parking areas of the Building.
- 3.5 County grants to WHI and Walgreen Arizona Drug Co. and their respective personnel a non-exclusive license to access the restrooms, hallways, doorways, access ways, parking areas, receiving and/or delivery areas and any other common areas as necessary for WHI to fulfill the duties outlined in this Exhibit.
- 3.6 During the agreed upon term of service set forth below in this Exhibit D, County shall not lease to or license any space within the Building (301 W. Jefferson St.) for use as a drug store or a so-called prescription pharmacy for use by its eligible County employees and their dependents. Further, County shall not permit any third party to operate any business requiring a qualified pharmacist or other person authorized by law to dispense medicinal drugs, directly or indirectly to its eligible County employees and their dependents, for a fee or remuneration of any kind, within the Building.
- 3.7 County agrees that as a condition precedent to the establishment of a Work-Site Pharmacy, it must implement appropriate incentive(s) to encourage eligible County employees and their dependents to utilize the Work-Site Pharmacy. Such incentive(s) are to be mutually agreed upon by the parties and effective October 1, 2008, provided that additional incentives may be added later upon mutual agreement. At all times that the Work-Site Pharmacy is available to eligible County employees, County acknowledges there must be mutually agreeable benefit plan design incentives in place. Failure by the parties to agree upon the implementation of appropriate benefit designs at any point following 60 days after either party initiates discussions will give either party the right to terminate this Exhibit D upon 90 days notice to the other, provided that County will be obligated to pay the early termination fees set forth in Section 4.2., below, as applicable to the time period for termination if County terminates this Exhibit D or the Contract.
- 3.8 County will make every effort to notify WHI in the event emergency access to the Site is required. Should such attempts fail after good faith efforts, County shall have the right to forcibly enter the space with WHI agreeing to pay the costs to repair any damage done to the doors, locks, windows, etc., damaged by the County's forced entry.
- 3.9 County hereby grants WHI the right to assign, sublet, license, or lease any or all of the space licensed to it under this Exhibit to any affiliate of WHI with County's consent, which County agrees not to withhold unreasonably.

- 3.10 County represents and warrants that in its legal counsel's opinion, County is in compliance with all applicable provisions of Arizona's procurement laws and that the services described in this Exhibit are not required to be publicly bid under such laws.

4.0 Term and Termination.

- 4.1 The parties agree that construction of the Site will begin shortly after execution of this Exhibit with the intention of opening the Work-Site Pharmacy on October 1, 2008. The terms of this Exhibit will remain in full force beginning on the Effective Date for an initial term ending JUNE 30, 2012, subject to the termination rights and obligations set forth in this Exhibit D and to the termination for cause rights set forth in the Contract.

- 4.2 The terms of this Exhibit may be terminated only in accordance with the termination rights set forth in this Exhibit D subject to the terms and conditions of this Exhibit, either party may terminate this Exhibit upon at least 360 days advance written notice, provided that County acknowledges that WHI has amortized its cost of establishing and operating a Work-Site Pharmacy over a period of four years. Accordingly, if County terminates this Exhibit or the Contract effective any time prior to June 30, 2012, County will pay WHI, within 15 days of invoice therefore, the following early termination fees:

- 4.2.1 \$350,000 if terminated any time on or before September 30, 2009;
- 4.2.2 \$262,500 if terminated any time between October 1, 2009 through September 30, 2010;
- 4.2.3 \$175,000 if terminated any time between October 1, 2010 through September 30, 2011; and
- 4.2.4 \$87,500 if terminated any time between October 1, 2011 through June 30, 2012.

- 4.3 Through a report generated by WHI and reviewed by Maricopa County, both parties will acknowledge and agree that if the volume of prescriptions being filled at the Work-Site Pharmacy is not sufficient to cover WHI's operating costs, WHI reserves the right to reduce the pharmacy hours of operation and/or otherwise re-purpose the Work-Site Pharmacy resources. WHI will provide County at least 30 days advance notice before any reduction in pharmacy hours is effective.

5.0 Entire Exhibit.

This Exhibit sets forth the entire agreement between the parties with regard to Work-Site Pharmacy services. Any prior agreements, documents, understandings, or representations relating to the subject matter of this Exhibit D not expressly set forth herein or referred to or incorporated herein by reference are of no force or effect.

6.0 Future Clinic Services.

Both parties agree to negotiate in good faith with the intent of arranging for the inclusion of a health and wellness clinic ("Clinic") within the Site, effective on or about January 1, 2009. If WHI is unable to furnish a Clinic by that date the County reserves the right to have a Clinic, supplied by another provider, in a space other than the Site.

7.0 . The recitals set forth above and this Exhibit D are incorporated into and made a part of the Contract.

IN WITNESS WHEREOF, the parties have executed this Amendment No. 2 as of the day and year last written below

By: 	By: 
Title: Richard Ashworth	Title: <i>Lindsay L. Baysinger</i>
Executive VP	<i>Dir. Health Initiatives</i>
Walgreens Health Initiatives, Inc.	County: Maricopa County
Date: <i>7-1-08</i>	Date: <i>7/3/08</i>



Approved to form
Maricopa County Attorneys Office



Date *7/3/08*

EXHIBIT

**AMENDMENT 2-A TO 01178-RFP
 CONTRACT FOR SERVICE PURSUANT TO RFP
 MARICOPA COUNTY SERVICE AGREEMENT**

This Amendment No. 2-A to Contract for Services Pursuant to RFP (Serial 01178-RFP-2), hereinafter referred to as "Amendment No. 2-A," is entered into by and between Walgreens Health Initiatives, Inc., an Illinois Corporation doing business at 1411 Lake Cook Road, Deerfield, IL 60015, hereinafter referred to as "WHI" or "Contractor," and Maricopa County, a political subdivision of the State of Arizona, located at 301 W. Jefferson, Phoenix, AZ 85003, hereinafter referred to as "County" or "Client," agree as follows:

RECITALS

1. County and Contractor are parties to that certain Contract for Services Pursuant to RFP (Serial 01178-RFP-2) effective as of August 19, 2002, as amended ("Contract"); and
2. The parties desire to amend certain of the terms of the Contract.

Therefore, in consideration of the covenants and agreements set forth herein, County and Contractor agree to amend the Contract as set forth in this Amendment No. 2-A, effective January 13, 2009 (the "Effective Date").

1.0 Intent:

- 1.1 As contemplated by Amendment No. 2 of the Contract, and in order to assist the County towards improving the health status of benefit-eligible Client employees and benefit-eligible dependents ("Members" or "Patients"), regardless if benefits have been selected, WHI, through its affiliate, Take Care (defined below), will arrange for the management of an on-site medical services clinic ("Clinic") through its affiliated Take Care Health Systems management companies (Take Care Health Systems, LLC and Take Care Employer Solutions, LLC, collectively referred to as "Take Care") by providing all business management and administration services related to the operation of the Clinic. Additionally Take Care will arrange for the provision of professional health and clinical services ("Clinic Services") through an affiliated professional corporation, Take Care Health Arizona, P.C. (referred to as the "Take Care PC"), or its affiliated providers.

Take Care PC is a professional corporation duly qualified in Arizona that will provide Clinic Services in the Clinic. Take Care may, in its sole discretion, delegate to Take Care PC, or another of its legally authorized affiliated professional corporations, the obligation to perform Clinic

Services, as the parties agree that Take Care does not engage in the practice of medicine and nothing in this document should be construed to the contrary. Furthermore the parties agree that the affiliated professional corporation providing Clinic Services will be owned by a licensed provider as required by the Arizona law.

- 1.2 All defined terms used in this Exhibit will have the meanings established in the Contract.

2.0 **Program Transition:**

Take Care will be responsible for leading the transition process, including, but not limited to, taking direction from Client and providing a detailed project plan, which such plan will be mutually agreed to between the Client and Take Care, to include deliverables and due dates.

3.0 **Program Management:**

- 3.1 Take Care's designated personnel will be responsible for the overall program management and oversight of administrative support services to the Clinic. Take Care's staff members will endeavor to ensure the program deliverables are meeting the Client's goals and objectives and will coordinate all Clinic Services at the direction of the Client.
- 3.2 A dedicated account team made up of Take Care and Take Care PC staff that knows and understands the Client's strategies and goals will be assigned by Take Care. The Take Care PC's Lead Nurse Practitioner will handle the day-to-day activities. Periodic meetings with the Client will be scheduled as needed to review the status of the Clinic operations. The Take Care Account Manager will work closely with the Take Care PC's Lead Nurse Practitioner to ensure client satisfaction and high performance of the Clinic. In addition, it is expected that the Take Care Account Manager will provide comprehensive guidance and experience to work as a partner with the Client throughout the term of this Exhibit. If Client is dissatisfied with the quality of services being provided, Take Care will make every effort to address the concerns of the Client. If needed, a replacement of the dedicated team may be requested.
- 3.3 The Take Care Account Manager will be responsible for the coordination and implementation of all affiliated health, wellness, and medical initiatives at the Clinic and will be Client's primary point of contact with Take Care. All programmatic components will be mutually developed with the Client and any affiliated third-party vendor.
- 3.4 If Client desires a new function or service to be performed at the Clinic, Client may submit a request to the Take Care Account Manager who will

write a detailed proposal outlining the details of the new function and related pricing. If a new function is approved by the Client, a written amendment incorporating the new function and pricing would be drafted and mutually agreed to by Contractor and Client. Client understands that future services may be limited by Take Care's contracts with Third Party Payers (defined in Section 7.4). All service changes will require a clinical review prior to approval.

4.0 **Location of the Clinic:**

The Clinic will be located within the Site (as defined in Amendment No. 2 of the Contract).

5.0 **Clinic Services:**

Take Care PC will furnish the following specific Clinic Services to Members at the Clinic:

5.1 **Episodic Acute Care:**

Episodic Acute Care services are those Clinic Services provided to those Members whose illness or injuries are minor, non-recurring and are expected to resolve within a limited timeframe. A Member whose illness or injuries are outside the scope of services contemplated herein or are chronic in nature, will be referred for treatment to the Member's primary care physician or a specialty provider, as appropriate. Specific conditions which may be treated at the Clinic include but are not limited to:

5.2 **Respiratory Illnesses:**

- 5.2.1 Bronchitis
- 5.2.2 Common Colds
- 5.2.3 Coughs
- 5.2.4 Ear Infections
- 5.2.5 Flu
- 5.2.6 Laryngitis
- 5.2.7 Sinus Infections
- 5.2.8 Sore Throat
- 5.2.9 Strep Throat
- 5.2.10 Upper Respiratory Infections

5.3 **Additional Treatments:**

- 5.3.1 Allergies – Seasonal
- 5.3.2 Bladder Infections (Female, ages 12-65)
- 5.3.3 Diarrhea, Nausea, and Vomiting
- 5.3.4 Early Lyme Disease

- 5.3.5 Fever (<72 hours)
- 5.3.6 Head Lice
- 5.3.7 Mononucleosis
- 5.3.8 Pink Eye and Styes
- 5.3.9 Scalp Rash
- 5.3.10 Swimmer's Ear
- 5.3.11 Swimmer's Itch

5.4 Skin Conditions:

- 5.4.1 Acne
- 5.4.2 Athlete's Foot
- 5.4.3 Cold Sores
- 5.4.4 Dry Skin
- 5.4.5 Impetigo
- 5.4.6 Itchy Skin
- 5.4.7 Poison Ivy/Poison Oak
- 5.4.8 Rashes
- 5.4.9 Ringworm
- 5.4.10 Scabies
- 5.4.11 Shingles
- 5.4.12 Skin Infections
- 5.4.13 Sunburn
- 5.4.14 Tick/Insect Bites
- 5.4.15 Wart Evaluation

5.5 Diagnostic Testing:

- 5.5.1 PPD/Tuberculosis
- 5.5.2 Pregnancy

5.6 Minor Injuries:

- 5.6.1 Abrasions
- 5.6.1 Burns (minor)
- 5.6.1 Splinters
- 5.6.1 Sprains/Strains
- 5.6.1 Staple/Suture Removal

5.7 Vaccinations/Injections:

- 5.7.1 Flu (Seasonal)
 - Administered to Patients 9 years and older
- 5.7.2 Hepatitis B
 - Administered to Patients 11 years and older
- 5.7.3 Meningitis (Menactra)

- Approved for Patients 11-55 years old
- 5.7.4 Tdap (Tetanus – Pertussis Booster)
 - Administered to Patients 11 years and older
- 5.7.5 Td (Tetanus Booster)
 - Administered to Patients 11 years and older
- 5.7.6 Shingles
 - Administered to Patients 60 years and older
- 5.7.7 Pneumonia
 - Administered to Patients 60 years and older
- 5.7.8 GARDASIL (HPV)
 - Administered to female Patients 11-26 years old

5.8 Preventive Care Support:

- 5.8.1 Clinic Staff will incorporate age appropriate preventive/screening recommendations as appropriate during a Member’s visit.
- 5.8.2 The Clinic Staff will provide preventive services including, but not limited to immunizations, in accordance with Section 5.7 above.

5.9 Exclusions:

Subject to Section 5.1 above, the Clinic Staff will not treat certain conditions or provide certain services, including, but not limited to:

- 5.9.1 Ongoing care for chronic health conditions (such as diabetes, hypertension, and asthma). If warranted based on clinical symptoms, clinical staff will assess blood pressure readings, blood glucose, cholesterol, and peak flow) and as appropriate, coordinate care with the Patient’s primary care physician, to treat acute exacerbations if appropriate, but will not manage these conditions on an ongoing basis.
- 5.9.2 Prenatal care.
- 5.9.3 Depression or other psychological illnesses.
- 5.9.4 After Hours Call – The Clinic Staff will not be available for health care treatment or questions after office hours.
- 5.9.5 Hospital care.
- 5.9.6 Client acknowledges and agrees that Take Care may withhold medical services to any Member for good cause, including but not necessarily limited to, where, in the professional judgment of the physician or other health care professional, medical services

should not be provided. Take Care reserves the right to discontinue the provision of Clinic Services to any Member who is disruptive or poses a threat to Take Care or Take Care PC's personnel or other Members.

5.10 Future Services/Programs:

Client is interested in offering services and developing programs that will improve Members' health status and contain benefit plan costs in accordance with its benefit plan through its Third Party Payer. Take Care agrees to participate in the development of these services/programs by collaborating with the Client.

6.0 Referral Network:

Take Care will establish a specialist provider recommendation list consisting of participating providers to Client's current health benefit plan and other providers who in the professional judgment and/or opinion of the Nurse Practitioner offers the patient a choice of providers.

7.0 Member Scheduling, fee schedule and payment methods:

7.1 Members are seen on a walk-in basis for Clinic Services. The last Patient of the day will need to be checked in at least 30 minutes prior to the Clinic closing for the day.

7.2 Appointment demand will be monitored by Take Care and shared with the Client. If demand exceeds capacity, Take Care and the Client will discuss options on how to improve patient flow.

7.3 Take Care will provide the ability for the Clinic to accept debit cards, credit cards, or cash for co-pays at the time of service.

7.4 Take Care will submit Clinic Services claim forms on behalf of Take Care PC to Client's health insurance providers or other applicable providers providing health insurance ("Third Party Payers") to Members so the Third Party Payers can process and pay the Clinic Service claim.

7.5 If Client should award its health benefit plan insurance business to a new health insurance provider, then Client will immediately notify Take Care in writing upon such award so Take Care can determine whether or not it is contracted as a participating provider with Client's new provider. If Take Care is not contracted with Client's new health insurance provider, then Take Care will use commercially reasonable efforts to contract with such provider. If, for whatever reason, Take Care is unable to reach a mutually acceptable agreement with such health insurance provider, then Take Care may

terminate this Exhibit upon prior written notice to Client, the length of such notice being equal to the period of time before the Client's change to the new provider goes into effect.

Take Care may charge Members who are not enrolled in Client's health plans but enrolled in other health plans at the rates set forth in Take Care's contracts with such health plans. If a Member receives Clinic Services and is not enrolled in a health plan for which Take Care is a participating provider, then Take Care shall be permitted to charge that Member Take Care's usual and customary fee for such Clinic Services and require the Member to pay the fee at the time Clinic Services are rendered. Client agrees that such actions by Take Care shall not be cause for termination of this Amendment No. 2-A or the Contract by Client.

8.0 Laboratory Services:

8.1 The Clinic will provide a set of Clinical Laboratory Improvement Act (CLIA) waived lab tests as generally provided in a retail Take Care Health Clinic (i.e., a Take Care Health Clinic located in a Walgreens pharmacy). Additional CLIA waived tests may also be provided as mutually agreed to with Client.

8.2 The Clinic will also collect lab specimens to be picked up at the Clinic by the applicable external reference lab for tests ordered by the Take Care PC staff. Client will grant such external reference lab personnel a non-exclusive license to access the Clinic premises, hallways, doorways, accessways, parking areas, receiving and/or delivery areas and any other common areas in or near the Clinic as necessary to enable such lab personnel to collect the lab specimens. If necessary, any costs incurred for lab services contemplated in this Section 8.2 will be handled directly by the Patient and the laboratory service provider. Lab results will be returned to the ordering provider.

9.0 Management Services:

Take Care will furnish the following additional services with respect to the overall management of the Clinic:

9.1 Take Care will designate an Account Manager and Take Care PC Lead Nurse Practitioner to oversee Client's account to serve as the liaison between Take Care, Take Care PC and Client for the purpose of managing Take Care's relationship with Client; identifying issues that arise during the course of the relationship with respect to the provision of Clinic Services, the implementation of the Clinic, and resolving other matters and problems as they arise. Resolution of issues will be coordinated between Take Care Health Systems, LLC and Take Care Employer Solutions, LLC.

9.2 Take Care's Account Manager will attempt to arrange quarterly meetings that shall take place at a location designated by Client, by phone or

through an agreed upon electronic medium. To the extent that Client reasonably determines that an issue exists with respect to the implementation of the Clinic or performance under this Exhibit, Take Care will cooperate in the scheduling of and participate in such meetings. WHI's Account Manager will participate in any meetings contemplated in this Section 9.2 as such Account Manager deems necessary and/or appropriate.

10.0 Recordkeeping:

Except as otherwise agreed upon between the Client and Take Care, Take Care and/or Take Care PC shall maintain records of utilization of the Clinic and Clinic Services through an electronic medical record keeping system. Except for reporting and analysis as contemplated under the Contract, for addressing health care needs, as a Patient appropriately and in writing authorizes, or as otherwise permitted or required by law, access to any Patient's records will be restricted to Take Care .

Client shall not have access to records, including but not limited to Patient medical records, maintained with respect to Clinic Services for Patients under this document without legal authorization.

In the event that Clinic Services are terminated, or Take Care's arrangement with any third party record keeper is terminated with respect to the Clinic's records, Take Care shall use reasonable efforts to ensure the archiving of the business records, other than Patient medical records or records containing protected health information within the meaning of the Health Insurance Portability and Accountability Act and the regulations promulgated there under (HIPAA), in accordance with applicable workflows and applicable laws.

11.0 Reporting:

Take Care shall work with Client in order to provide such quarterly reports and/or utilization information that it is legally and ethically permitted to furnish.

12.0 Utilization Management:

Take Care, in cooperation with its affiliates, manages utilization using a comprehensive approach that includes:

- 12.1 Providing preventive care in alignment with the Clinic Services as a method to eliminate or reduce the need for treatment of illness/injury.
- 12.2 Managing as much of the Patient's care as appropriate in the acute care setting.

12.3 Developing evidence based practice protocols.

Take Care and Client will work collaboratively to develop appropriately tailored tools to evaluate the effects of clinic utilization management that take into account applicable legal considerations.

13.0 **Clinic Premises:**

In accordance with Amendment #2 to the Contract, Client will make available within the Site suitable office premises for the location of the Clinic and the delivery of the Clinic Services. Client will ensure, without charge to Take Care, that the Clinic and the premises within which the Clinic is located are acceptable for their intended use, meet all applicable zoning ordinances, occupancy rules, and similar rules, ordinances, orders and laws, and are secure. Take Care may make recommendations regarding medical requirements of the Clinic, which Client will consider with due care and diligence. Client represents and warrants that during the term of this Exhibit , the Clinic Staff will have a non-exclusive license to access the Clinic premises, restrooms, hallways, doorways, accessways, parking areas, receiving and/or delivery areas and any other common areas in or near the Clinic.

Consideration for the licensed space occupied by the Clinic is included in, the amount that WHI has agreed to pay to County pursuant to Section 2.1 of Amendment No. 2 of the Contract.

14.0 **Clinic Maintenance:**

14.1 Client will, without charge to Take Care, maintain the Clinic in good repair and working order, including its interior, exterior, structure and roof. Client will, without charge to Take Care, provide all other items customarily provided by a building owner or landlord, including but not limited to, janitorial services, computer networking connections, and utilities such as electricity, water, heat, plumbing, and air conditioning. In addition, Client will, without charge to Take Care, maintain all buildings and surrounding areas in a tenable and safe condition, free of debris, ice, and snow. Notwithstanding this Section 14.0, Contractor is responsible for all collection, storage and disposal of all bio-hazard materials resulting from Clinic Services.

15.0 **Term of this Exhibit:**

The term of this Exhibit will remain in full force beginning on the Effective Date for an initial term ending June 30, 2012, subject to the termination rights set forth in the Contract. Through a report generated by Take Care and reviewed by the Client, both parties and Take Care will acknowledge and agree that if during the

term of this Exhibit the volume of Patients being treated at the Clinic is not sufficient to cover Take Care's operating costs, Take Care reserves the right to reduce the Clinic hours of operation and/or otherwise re-purpose the Clinic resources. Take Care will provide Client at least 30 days advance notice before any reduction in Clinic hours is effective.

16.0 **Staffing:**

Take Care shall be responsible for staffing the Clinic during its hours of operation. Take Care agrees that as of the Effective Date of this Exhibit, it will staff the Clinic with a nurse practitioner that is licensed by the Arizona state board of nursing and nationally certified by one of the two following accrediting bodies: American Academy of Nurse Practitioners (AANP) and the American Nurses Credentialing Center (ANCC). Client and Take Care agree to participate in a review of future staffing levels based on factors and at intervals mutually agreed to between the Client and Take Care.

16.1 **Clinic Staff:**

Take Care and Take Care PC shall be responsible for engaging and retaining individuals to staff the Clinic ("Clinic Staff") adequately to provide Clinic Services during the Clinic's hours of operation, and that meet Take Care's own written qualifications regarding education, training, experience, certification and licensure, professional conduct, and disciplinary and malpractice history. Take Care will furnish such qualification criteria to Client on request and Client will have final approval of any Clinic Staff contracted to provide Services at the Clinic. As a condition of employment, the Clinic staff will need to "pass" the background checks as required by law and in accordance with Take Care's standard practice. Take Care will reexamine the credentials and Take Care PC will evaluate the performance, adequacy and appropriateness of staff at the Clinic on an ongoing basis in accordance with its own criteria and pursuant to reasonable requests by Client. To the extent required to provide any of the Clinic Services within the State of Arizona, Clinic Staff will be duly licensed or certified.

Take Care is responsible for training Clinic Staff in its policies and procedures, in the use of the electronic record keeping system, and in the terms of this Exhibit. The obligations set forth in this section are subject to any legal or ethical limitations or prohibitions.

Take Care PC and Clinic Staff will provide Clinic Services in accordance with applicable standards of the medical community in which the Clinic is located and in accordance with the ethical and professional standards for professional healthcare providers.

16.2 Clinic Hours of Operation:

The Clinic shall operate during the hours of 7:00 AM- 5:00 PM Monday through Friday, in accordance with applicable regulatory laws, and will be closed on any days on which the Client is closed. The Clinic will remain open during the Client's designated lunch hour but will need to be closed for an hour to accommodate the Clinic Staff's lunch break. (time predetermined by both Take Care and Client). Absent extraordinary circumstances any closing of the Clinic during normal hours of operation will require the prior consent of Client. Take Care and Client will participate in a review of the hours of operation sixty (60) days after commencement of Clinic Services, and conduct ongoing reviews based upon a mutually agreed upon frequency, to determine any necessary adjustments.

17.0 Legal compliance:

17.1 Take Care will obtain required business licenses, tax licenses, or other required registrations or certification for operation of the Clinic. Take Care will assure that all Clinic Services it provides are in compliance with the applicable provisions of HIPAA and applicable state confidentiality regulations.

17.2 Client represents and warrants that in its legal counsel's opinion, Client is in compliance with all applicable provisions of Arizona's procurement laws and that the services described in this Exhibit are not required to be publicly bid under such laws.

18.0 Information Systems and Technology:**18.1 IT Services:**

Take Care will install, configure, train, manage and support certain clinical application software systems for use by Take Care staff. Take Care will provide the IT platforms described below as part of the Services (the "IT Services").

19.0 Software System:

Take Care utilizes the TCHS Electronic Medical Records System.

20.0 Cooperation:

Client must cooperate with Take Care to facilitate the delivery of IT Services, including:

20.1 **Connectivity:** Software system applications require a full separate Take Care network and will be installed accordingly. Take Care is responsible for providing an Internet T1 or greater connection for the Take Care applications and hardware. Client is responsible for the extension of the demarcation point location to the Clinic. Client is also responsible to provide a fully network communication wired facility including Ethernet drop points located in the ceiling for wireless access points, if applicable. Client is only responsible for providing the network as installed and configured as of the date this amendment becomes effective.

20.2 **Hardware and Standard Software:** Take Care is responsible for providing all necessary hardware and software for the implementation of the clinical application tools. In addition, Take Care will be responsible for all licensing, maintenance and support of each workstation and all equipment and services required for internet connectivity. Further, Take Care will provide hardware peripherals and setup such as a printer or scanner if required as part of the configuration. No Client hardware (including printers) will be allowed to connect to the Take Care hardware.

21.0 **Clinic Operations Document:**

The Client and Take Care will review this document on an annual basis which will coincide with the Client's fiscal year.

22.0 **Exclusive Provider:**

Take Care has the exclusive right and authority to manage and provide the Clinic Services to Client at this location during the term of this Exhibit.

23.0 **No Third Party Beneficiaries:**

Take Care and Client do not intend to establish a third party beneficiary agreement between Take Care or any of its employees or agents and any of Client's employees or agents or otherwise establish, create or confer any third party beneficiary rights upon any other persons whomsoever.

24.0 **Entire Exhibit:**

This Exhibit sets forth the entire agreement between the parties with regard to Clinic Services. Any prior agreements, documents, understandings, or representations relating to the subject matter of this Exhibit not expressly set forth herein or referred to or incorporated herein by reference are of no force or effect.

The recitals set forth above and this Exhibit are incorporated into and made a part of the Contract.

IN WITNESS WHEREOF, the parties have executed this Amendment No. 2-A as of the day and year last written below

By: 	By: 
Title: VP, PBM Services	Title: Dir. Med. Mgmt.
Walgreens Health Initiatives, Inc.	County: Maricopa County
Date: 03/02/2009	Date: 3/3/09



WALGREENS HEALTH INITIATIVES, THREE GATEWAY, 101 NORTH 1ST AVE., SUITE 1900,
PHOENIX, AZ 85003 ~~410 N 44TH STREET SUITE 200, PHOENIX, AZ 85008~~

PRICING STEET NIGP 9485501

Terms: NET 30

Vendor Number: **W000004619 X**

Telephone Number: 602/685-6902

Fax Number: 602/220-9435

Contact Person: Timothy Bettner

E-Mail Tim.Bettner@walgreens.com

Certificates of Insurance Required

Contract Period: To cover the period ending ~~December 31, 2003 2004 2005~~
June 30, 2007 2008 2012.