

NETWORK PHARMACY AGREEMENT

This Network Pharmacy Agreement (“Agreement”) is made as of the date set forth on the Contract Summary Sheet executed in connection herewith by and between GuidantRx, Inc., a Wisconsin corporation on behalf of itself and its affiliates (collectively, “GUIDANTRX”) and the undersigned party (“Pharmacy”) as follows:

Background

Whereas, GUIDANTRX contracts with Plan Sponsors (as defined below) to make and manage arrangements for the provision of Covered Services (as defined below) to Enrollees (as defined below); and

Whereas, GUIDANTRX desires Pharmacy to provide, and Pharmacy desires to provide, Covered Services to Enrollees on a non-exclusive basis per the terms and conditions set forth herein; and

NOW, therefore, in consideration of the foregoing and the mutual promises hereafter set forth, GUIDANTRX and Pharmacy agree as follows:

1. CERTAIN DEFINITIONS.

- a. **Average Wholesale Price (AWP):** means the current average wholesale price of the dispensed medication as defined in the latest edition published by Medispan or any other relevant reference source designated by GUIDANTRX. The parties acknowledge that AWP is a list price only and does not reflect discounts, fees or other amounts provided to wholesalers or others which may affect such entities’ actual acquisition cost.
- b. **Brand:** means a medication identified by Medispan with a multisource code (MSC) of M, N or O when submitted with a DAW code of 1, 2, 7 or 8
- c. **Claim:** means a request from a pharmacy for payment for providing a Covered Service to an Enrollee. Pharmacy must submit requests for payment via the Designated Claim Adjudication System.
- d. **Co-payment:** means any fixed or percentage amount, coinsurance, deductible or any other amount that an Enrollee is required to pay for Covered Services under the applicable Plan.
- e. **Covered Pharmaceutical:** means the medically necessary federal legend drugs, biologicals and other pharmaceutical products including, but not limited to, insulin, devices, supplies and equipment dispensed to an Enrollee for which an Enrollee is entitled to receive benefits pursuant to a Plan.
- f. **Covered Service:** means Covered Pharmaceuticals and other services or supplies as defined in the Plan.
- g. **Designated Claim Adjudication System:** means the applicable on-line claim adjudication system that GUIDANTRX designates to Pharmacy from time to time to use for the purpose of submitting Claims for adjudication. GUIDANTRX will provide information necessary for Pharmacy to submit claims to the Designated Claim Adjudication System.
- h. **Enrollee:** means an individual who is duly enrolled in or otherwise a beneficiary of a Plan and is eligible to receive Covered Services under that Plan.
- i. **Generic:** means a medication identified by Medispan with a multisource code (MSC) of Y or O when submitted with a DAW code of 0, 3, 4, 5, 6 or 9
- j. **Plan:** means the plan or program which defines those benefits which Enrollees of the applicable plan or program are entitled.
- k. **Plan Sponsor:** means the applicable entity that has committed, or is otherwise obligated, to provide benefits to Enrollees.
- l. **Prescriber or Health Care Professional:** means an individual legally licensed and authorized to prescribe Covered Services to Enrollees per applicable state and federal laws.
- m. **Usual and Customary Charge (U&C):** means the price Pharmacy would have charged an Enrollee (net of any applicable discount, including, but not limited to, senior citizen discounts, frequent shopper discounts, non-insurance discounts, or any other special discount offered to attract customers) on the date the service was provided if the Enrollee was a cash customer.
- n. **Wholesale Acquisition Cost (WAC):** means the current wholesale acquisition cost of the dispensed medication as defined in the latest edition published by Medispan or any other relevant reference source GUIDANTRX may designate from time to time. The parties acknowledge that WAC is a list price only and does not reflect discounts, fees or other amounts provided to wholesalers or others which may affect such entities’ actual acquisition cost.

2. Pharmacy Service Commitments

- a. **Valid Licenses:** During the term of this Agreement, Pharmacy shall maintain a valid permit in each state in which Pharmacy operates a pharmacy, and each pharmacist employed or engaged by Pharmacy

(“Pharmacist”) shall maintain a valid and qualified license to practice as a pharmacist in the states in which such Pharmacist practices. Pharmacy shall comply with all applicable federal, state and local laws and regulations and shall obtain and maintain all federal, state and local approvals, licenses, and permits required to operate as a pharmacy at each location of Pharmacy. Pharmacy will notify GUIDANTRX immediately of any revocation, suspension, limitation or other restriction that would impede Pharmacy in the performance of its obligations under this Agreement. Pharmacy shall maintain patient profiles, purchasing records and other records, including patient signature logs, of Covered Pharmaceuticals dispensed to Enrollees. Pharmacy shall have a licensed pharmacist or other designated licensed professional, as allowed by applicable statute, available during all business hours for patient consultations at no additional charge.

- b. **Enrollee Services:** Subject to the terms of this Agreement, Pharmacy agrees to accept all Enrollees as customers at all pharmacies operated by Pharmacy and to provide each Enrollee all Covered Services to which such Enrollees is entitled under the terms described in Exhibit A. Pharmacy shall verify by means of the Designated Claim Adjudication System the eligibility of each person who presents as an Enrollee. Pharmacy agrees that it has the sole responsibility for verifying the eligibility of Enrollees and obtaining payment from any non-Enrollee to whom Pharmacy provides services. Pharmacy agrees that it shall not assert any claim against GUIDANTRX with respect to any losses, costs or expenses incurred as a result of or attributable to its provision of services to any non-Enrollees.
- c. **Facilities, Equipment and Staff:** Pharmacy shall provide such facilities, equipment, non-pharmacist support personnel and Pharmacists as shall be reasonably necessary to provide Covered Services to Enrollees and as required by applicable state or federal law. Pharmacy shall have sole responsibility for the selection and supervision of qualified, licensed and competent Pharmacists. Pharmacy shall not differentiate or discriminate between Enrollees and other customers of Pharmacy with respect to the provision of services.
- d. **Terms For Provision Of Covered Services:** Pharmacy agrees to provide services to each Enrollee pursuant to the terms of this Agreement, including the terms and conditions described in Exhibit A.
- e. **Confidentiality:** Pharmacy agrees to abide by all Federal and state laws regarding confidentiality and disclosure for health information, mental health records, other health information and Enrollee information. Additionally, Pharmacy agrees to maintain records and other information with respect to Enrollees in an accurate and timely manner; to ensure timely access by Enrollees to the records and information that pertain to them; and to safeguard the privacy of any information that identifies any Enrollees information from, or copies of,

records may be released only to authorized individuals. Pharmacy must ensure that unauthorized individuals cannot gain access to or alter Enrollee records. Original medical records may only be released pursuant to Federal or State laws, court orders or subpoenas.

- 3. **Term and Termination:** The term of this Agreement shall commence as of the date this Agreement is executed by both GUIDANTRX and Pharmacy and shall continue thereafter unless terminated upon the occurrence of any of the following:
 - a. Either party may terminate this Agreement upon written notice to the other for material breach, however, prior to exercising such termination right, the non-breaching party shall provide written notice to the other of such material breach and the breaching party shall have thirty (30) days (the “Cure Period”) to resolve such material breach. If such breach is resolved within the Cure Period, this Agreement will remain in full force and effect.
 - b. GUIDANTRX reserves the right to terminate this Agreement immediately for, in the opinion of GUIDANTRX, actions by Pharmacy detrimental to GUIDANTRX or Enrollees, including but not limited to, loss of pharmacy license, any fraudulent act or act in violation of any Federal, State, or local law, regulation or rule, or if Pharmacy becomes the subject of bankruptcy or insolvency proceedings, or if Pharmacy violates any provision of this Agreement related to patient care or confidentiality.
 - c. At the option of either party hereto, upon one hundred eighty (180) days prior written notice to the other party hereto.
- 4. **Payment Of Claims**
 - a. **Claims Submission And Payment:** Pharmacy’s claims for Covered Services provided to Enrollees under this Agreement shall be processed and paid as follows:
 - i. At the time Pharmacy delivers Covered Services to an Enrollee, Pharmacy shall submit its Claim for such Covered Services by means of the Designated Claim Adjudication System. When delivering Covered Services to an Enrollee, Pharmacy shall price such services as set forth on Designated Claim Adjudication System. In addition, subject to the pharmacist’s professional judgment, Pharmacy shall comply with the Drug Utilization Review (“DUR”) advice, if any, provided with respect to such Enrollee by the Designated Claim Adjudication System.
 - ii. Claims will be transmitted using telecommunications standards established by The Department of Health and Human Services Administrative Simplification or any successor organization (currently, the National Council for Prescription Drug Program’s (NCPDP) Telecommunications Standard Version D.0) Any Claim submitted will include, but not be limited to,

the National Drug Code on the package from which the medication was dispensed.

- iii. For Enrollees having both primary and secondary coverage for their pharmacy benefit, Pharmacy agrees to submit an initial Claim to the primary carrier and then submit the results of the primary adjudication, via the NCPDP defined “COB segment”, to the secondary carrier.
- iv. Pharmacy agrees to submit either the Prescriber’s DEA number or NPI number with each Claim submitted to the Designated Claim Adjudication System. Default and /or “dummy” prescriber identification numbers are not acceptable. Health care professional identification numbers shall be considered invalid if the Health Care Professional’s identification numbers (DEA or NPI) submitted by Pharmacy with the prescription Claim is not the Health Care Professional’s identification number provided on or with the prescription by such party; or if the Health Care Professional’s identification number submitted by Pharmacy with the prescription Claim does not correspond to the actual prescriber of the prescription.
- v. GUIDANTRX may refuse to submit to Plan Sponsors any claims which are not submitted via the Designated Claim Adjudication System by Pharmacy as provided above. Claims for payment must be submitted within one hundred eighty (180) days of date of service. Claims submitted after such window are not eligible for payment.
- vi. Pharmacy will be paid via Electronic Funds Transfer (EFT) or other means as determined by GUIDANTRX within the earlier of: (i) 30 days after each semi-monthly billing cycle for claims submitted by Pharmacy during that cycle; or (ii) the amount proscribed by applicable laws in the jurisdiction in which the prescription is filled.
- vii. Pharmacy will be reimbursed per the terms and conditions defined in Exhibit A attached to this Agreement and incorporated by reference herein. Other exhibits may be added from time to time and will be valid only if signed by both parties to this Agreement.
- viii. Non-Covered Services: Pharmacy shall bill Enrollees directly for non-Covered Services. However, Enrollees may never be billed for any Covered Services (except the applicable Co-payments as set forth on the Designated Claim Adjudication System) provided pursuant to the terms of this Agreement.
- ix. Payment By Enrollees: Pharmacy agrees that in no event shall Pharmacy bill, charge, collect from, seek compensation or remuneration from, surcharge or have any recourse against an Enrollee for Covered

Services pursuant to this Agreement (except for Co-payments). This section shall survive termination of this Agreement regardless of the cause of termination and shall be construed to be for the benefit of the Enrollees.

- x. Pharmacy expressly and unconditionally agrees to submit via the Designated Claim Adjudication System information regarding all Covered Services provided to Enrollees regardless of the Co-payment status of such Covered Services.
 - xi. Pharmacy must conduct due diligence to ensure that Claims approved through the Designated Claim Adjudication System but not received by the Enrollees are reversed within 30 days of the initial fill date.
 - xii. Pharmacy shall maintain a log of partially filled prescriptions. Prescriptions in which a partial amount was owed to any Enrollee but never received shall be modified via the Designated Claim Adjudication System within 30 days to accurately represent the quantity of medication received by the Enrollee.
 - xiii. If Pharmacy’s reversal of previously approved Claim or Claims results in payment being due to GUIDANTRX, Pharmacy will, upon request from GUIDANTRX, immediately forward payment to GUIDANTRX for such payment due.
- b. **Co-Payments:** Pharmacy acknowledges and agrees that, without the prior written consent of GUIDANTRX, it may not waive or discount any Co-payment required under any Covered Services provided to Enrollees under this Agreement. Pharmacy shall collect all required Co-payments from Enrollees in the amounts set forth on Designated Claim Adjudication System.

5. **Pharmaceutical Service Records**

- a. **Inspection and Transfer Records:** Pharmacy agrees to comply with all state and federal laws regarding the confidentiality of Enrollees’ pharmaceutical records. Subject to the foregoing, and Section 2.e of this Agreement, Pharmacy agrees: (i) that GUIDANTRX or any duly authorized representative of Plan Sponsor(s) shall have the right, during normal business hours and upon reasonable written advance notice, to inspect such pharmaceutical records as related to that part of the record documenting services provided to an Enrollee in connection with Covered Services; (ii) to transfer Enrollees’ pharmaceutical records, including prescriptions, in accordance with such Enrollee’s request in accordance with applicable state and federal law; and (iii) to provide any Plan Sponsor’s representative or GUIDANTRX within a reasonable time and upon a written request therefore, copies of any such pharmaceutical records.

- b. **Evaluation Of Services And Retention Of Records:** Pharmacy agrees, upon reasonable advance written notice and during normal business hours, to allow a representative of GUIDANTRX or any Plan Sponsor to evaluate, through inspection of facilities and Enrollees pharmaceutical records, the quality, appropriateness, and timeliness of Pharmacy's provision of Covered Services to Enrollees. Pharmacy further agrees to retain all records and reports relating to Pharmacy's performance under this Agreement for the greater period of state and federal legal requirements, five (5) years after the date to which the records are applicable or until the resolution of any audit, litigation or other action for which Pharmacy has received written notice, involving such reports and records which are initiated prior to the end of such five (5) year period.
- c. **Auditing:** GUIDANTRX or its subcontractor shall have the right, at reasonable intervals and during regular business hours, to audit Pharmacy's records as they pertain to the Agreement and may inspect Pharmacy's premises, books, records and operations to ensure that they are adequate to perform Pharmacy's obligations under this Agreement, are consistent with the intent and purpose of this Agreement, and are in accordance with applicable laws. GUIDANTRX or its subcontractor shall give Pharmacy written notice thereof at least fifteen (15) business days prior to the date on which it intends to cause such examination and audit to be made of Pharmacy's books, profiles and other records relating to the dispensing of Covered Services to Enrollees and other obligations under the Agreement, including, without limitation, financial records, procedures and reports relating to such dispensing activities. Pharmacy agrees to allow GUIDANTRX or its subcontractor to copy, photocopy, photograph, or use digital camera photography, for all prescriptions, profiles and other records relating to the dispensing of Covered Services to Enrollees. Any expenses incurred will be paid by the requesting party. Upon request, copies of such records shall be sent to GUIDANTRX. GUIDANTRX agrees to keep all such profiles and records confidential. GUIDANTRX may perform such audits at any time during the term of this Agreement or for a period of 3 years thereafter. For prescriptions filled for Enrollees who have coverage through Medicare plans, there is no time limit for audits.
- d. **Overpayment:** If an audit shall disclose that Pharmacy was overpaid with respect to any Claims which Pharmacy has theretofore submitted for payment, then such overpayment as determined by GUIDANTRX using recognized accepted accounting and statistical methods, shall be offset against any current or future Claim payments and may be rectified by causing Pharmacy's future payments to be debited by the corresponding amounts if Pharmacy does not pay over the requested amounts to GUIDANTRX within fifteen (15) days of such a request.
6. **Utilization Review:** Subject to the right of the Pharmacists to exercise professional judgment with respect to the dispensing of Covered Services, Pharmacy agrees to abide by, cooperate with, and participate in the utilization review, quality assurance and audit procedures established and approved by GUIDANTRX or any Plan Sponsor, as modified from time to time. Upon notice to Pharmacy, Pharmacy shall supply GUIDANTRX with all data and information reasonably requested by GUIDANTRX regarding the provision and utilization of Covered Services to Enrollees for purposes of such utilization review.
7. **Status Of Parties:** It is expressly acknowledged by the parties that GUIDANTRX and Pharmacy are independent contractors, and nothing in this Agreement is intended nor shall be construed to create an employer/employee relationship, a joint venture relationship or to allow GUIDANTRX to exercise control or direction over the manner or method by which Pharmacy performs services which are the subject matter of this Agreement. Neither of the parties hereto, nor any of their respective employees, agents or representatives shall be construed to be the employee, agent, or representative of the other.
- Insurance:** Pharmacy shall, at its expense, procure, provide evidence of, and maintain professional liability insurance covering its Pharmacists and employees with limits not less than One Million Dollars (\$1,000,000) per occurrence and Three Million Dollars (\$3,000,000) in the aggregate. Such professional liability insurance shall provide coverage for incidents, claims, and suits by Enrollees arising from Covered Services provided by Pharmacy pursuant to this Agreement during the Agreement period. Pharmacy shall furnish GUIDANTRX with a certificate of insurance upon request.
9. **Non-Discrimination:** Pharmacy shall not discriminate or differentiate against any Enrollee as a result of his/her enrollment in a particular Plan, or because of race, color, creed, national origin, ancestry, religion, sex, sexual orientation, marital status, age, disability, payment source, state of health, need for health services, status as a Medicare or Medicaid beneficiary, or any other basis prohibited by law.
10. **Publicity:** Neither party hereto shall make any public announcements or other general public communications concerning this Agreement nor the terms hereof without the prior written consent to the timing, manner and content thereof by the other party hereto.
11. **Indemnification:** Pharmacy and GUIDANTRX each agree to indemnify and hold harmless the other party from and against any and all claims, liabilities, damages, costs, expenses, fees or judgments imposed upon, incurred by or asserted against the other party which arise out of or derive from any breach by the first party of any representations, warranties, covenants or agreements under this Agreement, or the acts or omissions of the first party in connection with this Agreement.
12. **Notices:** Any notice required or permitted to be given hereunder shall be deemed sufficient and shall be deemed to have been given when delivered in person, when transmitted via facsimile (transmission confirmed) or three (3) days after

being sent through the United States Mail, certified, return receipt requested, postage pre-paid or other carrier that provides confirmed delivery service.

If to Pharmacy:

As provided in Contract Summary Sheet

If to GUIDANTRX:

GuidantRx
400 TechneCenter Dr
Suite 305
Milford, OH 45150
Attn: provider Relations
Fax: 513-248-3079
Email: providerrelations@guidantrx.com

13. **Representation and Warranties.** Each of the parties represents and warrants to the other as follows:

- a. **Due Organization:** It is a corporation, sole proprietorship, limited partnership, partnership or limited liability company/corporation duly organized, validly existing and in good standing under the laws of the state of its incorporation or charter.
- b. **Authorization:** It has full authority to execute and deliver this Agreement and additional agreements, to which it is to be a party hereunder, and to perform hereunder and thereunder, and the execution, delivery and performance hereof and thereof, and the consummation of the transaction contemplated hereby and thereby has been duly authorized by all necessary corporate action.
- c. **No Breach of Statute or Contact:** Neither its execution and delivery of this Agreement or the agreements to which it is to be a party hereunder, nor its compliance with the terms and provisions hereof or thereof will: (i) cause it to violate or be in conflict with any law, order, injunction, statute, ordinance or regulation of any governmental authority; or (ii) conflict with or result in a breach of any terms, conditions, or provisions of any of its organizational documents or of any agreement or instrument to which it is party or by which it or its properties may be bound.
- d. **Enforceability:** This Agreement has been duly executed and delivered by it and constitutes its legal, valid and binding obligation enforceable against it in accordance with its terms, except as may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditor's rights generally.

14. **Confidential and Proprietary Information.** Pharmacy agrees that all terms and conditions contained herein are confidential and/or proprietary. Pharmacy further agrees not to disclose the terms or conditions of this Agreement, including the amounts reimbursed and/or paid to Pharmacy in connection with this Agreement, to any party including, but not limited to, any Enrollees, health care facilities, Health Care Professionals, Plan Sponsors or any other third party

without the express written consent of GUIDANTRX. Pharmacy further agrees, on behalf of itself and its agents, directors, employees, owners and representatives, that it will not discuss any reimbursement issues arising out of or in connection with this Agreement with any party including, but not limited to, Enrollees, health care facilities, Health Care Professionals, Plan Sponsors or any other third party.

15. **Miscellaneous**

- a. **Refusal To Provide Covered Services:** Nothing in this Agreement shall be construed to limit the right of Pharmacy to refuse to provide Covered Services to any Enrollee if such services should not, in the professional judgment of a Pharmacist, be provided to such Enrollee. Pharmacy is not permitted to refuse service to Enrollees due to reimbursement issues between Pharmacy and GUIDANTRX or any Plan Sponsor, as such issues must be addressed exclusively by Pharmacy with GUIDANTRX not with Enrollees, Plan Sponsors or others.
- b. **Use Of Pharmacy's Name:** Pharmacy agrees that GUIDANTRX or any Plan Sponsor may use the name, address, and fact of Pharmacy's participation in GUIDANTRX's pharmacy network as part of any list of pharmacies in the network. Any such use or approval shall not operate or be construed as granting any right, title or interest in or to the logo, name, trademarks or other intellectual property of Pharmacy.
- c. **Third Party Insurance Claims:** Pharmacy agrees (i) to cooperate with GUIDANTRX in filing claims with insurance carriers for coordination of benefits regarding Enrollees and (ii) any recoveries resulting from the filing of such claims shall be retained by GUIDANTRX or the applicable Plan Sponsor in accordance with the terms of the applicable Plan Sponsor agreement.
- d. **Entire Agreement:** This Agreement, together with any schedules and exhibits attached hereto and as amended from time to time, constitutes the entire agreement between the parties hereto with respect to the subject matter hereof, and all prior agreements, correspondence, discussions and understanding of the parties are superseded hereby. This Agreement supersedes any prior agreements between GUIDANTRX and Pharmacy with respect to the subject matter hereof. GUIDANTRX may amend any term, part or provision of this Agreement, including, without limitation, the schedules hereto, by giving written notice to Pharmacy at least thirty (30) days prior to the effective date of the amendment.
- e. **Governing Law:** This Agreement shall be interpreted under the laws of the State of Delaware without giving effect to the principles of conflicts-of-law, or any rule, which would result in the application of the law of any different jurisdiction. The courts of Delaware shall have exclusive jurisdiction in connection with any legal proceeding arising hereunder, and each party hereby submits to the jurisdiction of such courts and waives any

objection to the venue of such courts and any claim that such courts may be inconvenient.

- f. **Miscellaneous:** If any provision of this Agreement is held to be illegal, invalid or unenforceable by a court of competent jurisdiction, the remaining portions of this Agreement shall remain valid and effective. This Agreement shall be binding on the parties hereto and their successors and assigns. A waiver by either party of strict compliance with the terms of this Agreement shall only be effective if in writing and signed by the party against whom such waiver is sought to be enforced, and shall not be effective with respect to any prior or subsequent failure by either party to comply with any term of this Agreement. This Agreement shall be construed without reference to title or articles or sections, which are inserted for reference purposes only.
- g. **Force Majeure:** A party shall not be deemed to have breached this Agreement if its delay or failure to perform all or any part of its obligations hereunder results from a condition beyond its reasonable control including, without limitations, acts of God, or the public enemy, flood or storm, strikes, power or communication line failure, statute, or rule or action of any federal, state or local government agency.
- h. **Enrollee Confidentiality:** Each party acknowledges and agrees that the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 (HIPAA) and regulations promulgated there under by the U.S. Department of Health and Human Services (the "HIPAA Regulations") govern the privacy of personally identifiable health information ("PHI"). Accordingly, each party agrees to comply with the HIPAA Regulations to the extent the same apply to their respective activities in connection with this Agreement.
- i. **Federal Exclusion and Debarment Screening:** Pharmacy shall confirm that personnel assigned by Pharmacy to provide Covered Services under this Agreement are not excluded from participation in any Federal health care program, as such term is defined at 42 U.S.C. §1320a-7b(f), or debarred or otherwise prohibited from participating in federal procurement and non-procurement programs, by checking the Department of Health and Human Services' Office of the Inspector General's List of Excluded Individuals / Entities (<http://exclusions.oig.hhs.gov/search.html>) and the General Service Administration's list of debarred contractors (<http://epls.arnet.gov>). Pharmacy hereby certifies that it will perform screening on such personnel at least every six (6) months. In addition, Pharmacy represents and warrants to GUIDANTRX that Pharmacy and its directors, officers, and employees (i) are not currently excluded, debarred, or otherwise ineligible to participate in the federal health care programs, as defined in 42 U.S.C. §1320a-7b(f), and (ii) have not been convicted of a criminal offense related to the provision of healthcare items or services but have not yet been excluded, debarred, or otherwise declared ineligible to participate in Federal health care programs. Pharmacy shall immediately notify GUIDANTRX if any representation and warranty made in this Section becomes untrue in any respect during the term of this Agreement.
- j. **Medicare Requirements.** To the extent that Pharmacy is providing Covered Services for which a Plan Sponsor receives payment pursuant to Medicare Part D or Medicare Advantage programs, Pharmacy agrees that such Covered Services shall be provided consistent and in compliance with the terms of the Medicare Part D plan sponsor or Medicare Advantage organization's contract with CMS. Without limitation of the foregoing: (a) Pharmacy agrees to abide by United States state and federal privacy and security requirements, including the confidentiality and security provisions stated in the regulations for the Part D program at 42 C.F.R. § 423.136; (b) Pharmacy will abide by all applicable United States Federal laws and regulations and CMS instructions in accordance with 42 C.F.R. § 423.505(i)(4)(iv). Any activity under the contract between CMS and a Medicare Advantage organization or Part D sponsor delegated to Pharmacy may be revoked if CMS, the Medicare Advantage organization or the Part D sponsor determines that Pharmacy has not performed satisfactorily pursuant to 42 C.F.R. § 423.505(i)(4)(ii); (c) Pharmacy will comply with 42 C.F.R. § 423.505(i)(2) and 42 C.F.R. § 423.505(e)(2), which generally requires retention of books, records, documentation and contracts in connection with this Agreement, including all medical records, in which the applicable Part D covered product is dispensed, and to make such materials available for audit, inspection and evaluation by the Department of Health and Human Services, the Comptroller General, or their designees pursuant to 42 C.F.R. § 423.505(i)(3)(iv); (d) Pharmacy agrees to make available any books, contracts, records and documentation that pertain to any aspect of services performed to HHS, the Comptroller General, or their designees as required by 42 C.F.R. § 423.505(e)(2); (e) Pharmacy will ensure that Enrollees are not held liable for fees that are the responsibility of the applicable Part D plan sponsor in accordance with 42 C.F.R. § 423.505(i)(3)(i); (f) Pharmacy shall conduct or have their personnel receive such trainings as maybe required under 42 C.F.R. § 422.504 or § 423.504 for pharmacies providing services under Medicare Parts C and/or D. Pharmacy shall ensure effective lines of communication to all personnel and allow compliance issues to be reported to the applicable Part D plan sponsor including a method for anonymous and confidential good faith reporting of all potential compliance issues as they are identified; (g) Pharmacy shall provide certifications (based on best knowledge, information and belief) to the extent requested under 42 C.F.R. § 423.504 and § 423.505; and (h) to the extent that other requirements apply to a Plan Sponsor pursuant to the Medicare program or the policies of a given Medicare Part D plan sponsor or Medicare Advantage organization, GUIDANTRX may give Pharmacy notice of such requirements and Pharmacy agrees to comply with the same. Pharmacy will include

the requirements of this Section in its contract with any subcontractor performing services under this Agreement.

- k. **Medicare Part D Claim Reversals:** Pharmacy agrees to reverse claims previously submitted to and paid by a Medicare Part D sponsor and submit to GUIDANTRX when so instructed by GUIDANTRX.

- l. **No Changes to Agreement:** Pharmacy is not authorized to make any changes (whether typed, hand-written or otherwise) to this Agreement. Any such changes to this Agreement shall be invalid and shall have no effect.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed and delivered by its proper and duly authorized agent or officer on the date set forth below.

For Pharmacy

By:

Printed Name:

Title:

Date:

For GuidantRx

By:

Jerome Kilkelly
Printed Name:

Director Pharmacy Claims
Title:

Date:

Network Pharmacy Agreement

Exhibit A

- I. **Reimbursement Rates for Covered Services:** For each retail pharmacy prescription or refill covered by this Agreement, Pharmacy will be paid at the rates set forth in this Article I, reduced by any applicable Co-payment the Enrollee is required to pay at the time service is rendered and as conveyed to Pharmacy by the Designated Claim Adjudication System.
 - A. Brand Drugs: The lesser of WAC + 0.80% plus a dispensing fee of \$1.50 or the Pharmacy's then current Usual and Customary Charge.
 - B. Generic Drugs: The lesser of MAC plus a dispensing fee of \$1.50, AWP – 30% plus a dispensing fee of \$1.50, or Pharmacy's then current Usual and Customary Charge.
 - C. Notwithstanding the rates set forth in Section I.A. and I.B. above, if the total of the amount otherwise payable for a Claim as determined in accordance with such Section ("Contracted Rate") is lower than Enrollee's required Co-Payment, then Pharmacy will receive as reimbursement, the lower of the Enrollee's required Co-Payment, the Contracted Rate or the Pharmacy's then current Usual and Customary Charge, as the case may be. Pharmacy expressly and without limitation or conditions agrees to submit its Usual and Customary Charge with each Claim submitted via the Designated Claim Adjudication System. If Pharmacy fails to submit its then current Usual and Customary Charge on a Claim resulting in the Enrollee being charged an amount greater than the then current Usual and Customary Charge, then Pharmacy will, upon request by GUIDANTRX or the Enrollee, refund to GUIDANTRX or the Enrollee any amount paid by the Enrollee in excess of the then current Usual and Customary Charge.
 - D. Taxes: If a pharmacy tax or similar fee is imposed on Pharmacy for provision of Covered Services by any government authority (other than duly imposed applicable sales taxes), Pharmacy shall be responsible for such pharmacy tax or similar fee and shall not pass any such amounts to Enrollees or GUIDANTRX unless specifically required to do so under applicable law or regulation.
 - E. Compounded Prescriptions: For prescriptions requiring the skills and expertise of a pharmacist to mix two or more ingredients (at least one of which must be a federal legend drug) ("Compounding"), the reimbursement rate will be the lower of the sum of the AWP's of the ingredients in the compound plus a \$5.00 dispensing fee or Pharmacy's then current Usual and Customary Charge. Pharmacy agrees to submit its then current Usual and Customary Charge via the Designated Claim Adjudication System with each Claim submission. "Compounding" rates will not apply to the mixing of two or more liquids or to the reconstitution of lyophilized powders. Compounded prescriptions must be submitted via the Designated Claim Adjudication System per NCPDP D.0 standards for submitting compounded prescriptions.
- II. **Multi-Source Products:** Pharmacy will dispense multi-source products using the inventory customarily maintained; the terms of reimbursement and the dispensing by any retail community pharmacy of such multi-source products may not be restricted by any GUIDANTRX formulary or any list of covered drugs that identifies multi-source products by manufacturer. Pharmacy shall dispense a generic equivalent product whenever possible and permitted by applicable state and federal laws.
- III. **Over the Counter Products (OTCs):** For over the counter products which are Covered Pharmaceuticals, Pharmacy shall be reimbursed at the same rate as described in Sections I and II of this Exhibit A depending upon the classification of such product (brand or generic).
- IV. **AWP Discontinuance:** In the event that published AWP data shall be discontinued or unavailable, GUIDANTRX shall use reasonable commercial efforts to modify the pricing metrics under the Agreement using a new pricing benchmark designed to maintain the parties' respective economic positions under the Agreement. If Pharmacy does not agree with the benchmark established by GUIDANTRX, then notwithstanding anything else contained in the Agreement, Pharmacy may elect to terminate the Agreement by providing sixty (60) days' prior written notice to GUIDANTRX, provided that such notice must be delivered within sixty (60) days' following GUIDANTRX's delivery of written notice outlining such new pricing benchmark.

CONTRACT SUMMARY SHEET

Pharmacy Name: _____

NABP#: _____ NPI#: _____

Chains should provide a list of NABP numbers and all other data requested below for all locations.

Address: _____ City: _____ County: _____

State: _____ Zip Code: _____

Telephone: (____) _____ - _____ Fax: (____) _____ - _____ Federal Tax ID #: _____

Hours of Operation:

M-F: ____ A.M. to ____ P.M. **Sat:** ____ A.M. to ____ P.M. **Sun:** ____ A.M. to ____ P.M. **Holidays:** ____ A.M. to ____ P.M

Pharmacies with multiple locations must attach a list (or provide electronic media) showing the above data for all locations

General Liability Insurance Carrier: _____ Coverage Amount: \$ _____ / \$ _____
Minimum \$1.0 million/\$3.0 million is required

Chains should provide the following information for the contact person at their headquarters (main) location.
Independent pharmacies should provide the following information for the primary contact person for your pharmacy.

CONTACT INFORMATION

Contact Name: _____ Title: _____

Contact E-Mail Address: _____ @ _____ . _____

Contact Address: _____

Contact City: _____ State: _____ Zip: _____ - _____

Contact Phone: (____) _____ - _____ FAX: (____) _____ - _____

Remittances are to be paid to: Individual Stores Corporate Account - NCPDP Chain Code: _____

IN WITNESS WHEREOF, Pharmacy has caused this Agreement to be executed and delivered by its proper and duly authorized agent or officer on the date set forth below.

ON BEHALF OF Pharmacy

Signature Date

Printed Name

Title

