

AGREEMENT

THIS AGREEMENT is made and entered into this 13th day of July, 2021, by and between the **COUNTY OF FRESNO**, a Political Subdivision of the State of California, hereinafter referred to as "COUNTY", and **INTEGRATED PRESCRIPTION MANAGEMENT, INC.** a Delaware Corporation, whose address is 7815 N. Palm Ave. Suite 400, Fresno CA 93711, hereinafter referred to as "CONTRACTOR".

WITNESSETH:

WHEREAS, COUNTY, through its Departments of Behavioral Health (DBH) and Social Services (DSS) has a need for prescription drug services for COUNTY's mental health consumers (from various facilities and programs) which will reduce medication expense; and

WHEREAS, COUNTY, through its DBH and DSS is in need of a pharmaceutical information control system to maintain services to COUNTY's consumers in a cost-effective manner; and

WHEREAS, CONTRACTOR represents that it is qualified and willing to provide said services pursuant to the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of their mutual covenants and conditions, terms and conditions herein contained, the parties hereto agree as follows:

1. SERVICES

A. CONTRACTOR shall perform all services and fulfill all responsibilities identified in the "Summary of Services" set forth in Exhibit A, attached hereto and incorporated herein by this reference.

B. CONTRACTOR shall perform all services and fulfill all responsibilities as specified in COUNTY's Request for Proposal (RFP) No. 21-036 dated March 3, 2021, Addendum No. One (1) to COUNTY's RFP No. 21-036 dated March 12, 2021, hereinafter collectively referred to as COUNTY's Revised RFP, and CONTRACTOR'S Response to said Revised RFP dated April 1, 2021; all incorporated herein by reference and made part of this Agreement.

C. In the event of any inconsistency among these documents, the inconsistency shall be resolved by giving precedence in the following order of priority: 1) to this Agreement, including all Exhibits; 2) to CONTRACTOR'S Response to the Revised RFP; and 3) to the Revised

1 RFP. A copy of COUNTY's Revised RFP No. 21-036 and CONTRACTOR's Response to the RFP
2 shall be retained and made available during the term of this Agreement by COUNTY's DBH Contracts
3 Division.

4 D. DBH and DSS each require a separate and different service plan. The vendor
5 shall be required to meet the requirements of each individual Department. Facilities and programs for
6 both the Departments are identified in Exhibit B attached hereto and incorporated herein by this
7 reference.

8 E. CONTRACTOR is a Prescription Benefit Management (PBM) company and
9 shall make available to COUNTY access to CONTRACTOR's contracted network of independent
10 pharmacies ("Pharmacies"). Notwithstanding anything herein, Pharmacies are independent
11 contractors of CONTRACTOR; CONTRACTOR is not a Pharmacy and does not own or operate any
12 Pharmacies. CONTRACTOR contractually requires Pharmacies to maintain minimum levels of
13 liability insurance. In not event is CONTRACTOR responsible for the acts or omissions, including
14 professional negligence, of a Pharmacy.

15 F. CONTRACTOR's Pharmacies shall fill patient prescriptions for clients
16 determined by COUNTY to be qualified for this program. CONTRACTOR shall invoice COUNTY for
17 the patient prescriptions if the patient has a current Medically Indigent Adult/Medical Services
18 Program (MIA/MSP) Certification Form or a Uniform Method to Determine Ability to Pay (UMDAP)
19 Certification Form, as well as fill patient prescriptions for Medi-Cal consumers and private pay
20 insurance consumers treated by COUNTY, as necessary, for clients determined by COUNTY to be
21 qualified for this program.

22 G. The parties to this Agreement acknowledge that Pharmacies can provide Drug
23 Product Information (DPI) sheets in English and Spanish. Both parties further acknowledge that DPI
24 sheets are not available in Hmong, Vietnamese, Laotian or Cambodian, and that these are languages
25 spoken by a significant number of consumers served by COUNTY. It is understood between the
26 parties that should CONTRACTOR become aware of PDI sheets in language needed by COUNTY,
27 CONTRACTOR shall notify COUNTY and bill COUNTY for obtaining said DPI sheets, at
28 CONTRACTOR's cost. When DPI sheets are not available for a COUNTY consumer receiving a

1 prescription or medication under this Agreement, the parties agree that CONTRACTOR shall provide
2 appropriate language assistance for that consumer at the time of dispensing.

3 H. CONTRACTOR's Pharmacies shall mail prescriptions, when requested, to
4 consumers located at COUNTY's contracted facilities, to include but not limited to COUNTY clinics
5 located in Fresno County, Institutes of Mental Disease (IMDs), Mental Health Rehabilitation Centers
6 (MHRCs) and Skilled Nursing Facilities (SNFs) which are located in Fresno County or other counties
7 within the State of California.

8 I. DBH shall have a closed physician network for all Groups and programs in the
9 Department. DBH shall notify the CONTRACTOR of changes made to the list of physicians within
10 thirty (30) business days.

11 J. DSS shall have an open network for Child Welfare clients. COUNTY shall not
12 pay for medication prescribed by a physician not duly authorized by the COUNTY.

13 K. DBH will not use a formulary for any of their programs. If DBH desires to adopt
14 a formulary, CONTRACTOR will implement such formulary as directed by DBH.

15 L. DSS will not use a formulary for any of their programs.

16 M. The COUNTY mandates a generic substitute for brand name drugs. Generic
17 substitutions for prescriptions is mandatory unless specified otherwise by an authorized COUNTY
18 physician or if the substitute generic drug is not available in the market. If the CONTRACTOR's
19 Pharmacy does not have the required generic medication in-stock then the Pharmacy will refer the
20 client to another of the CONTRACTOR's Pharmacies instead of filling the prescription with a brand
21 name. COUNTY may deny payment for a prescription when CONTRACTOR's Pharmacy fails to
22 adhere to this policy.

23 N. COUNTY agrees to provide the following information to the CONTRACTOR:

24 1) COUNTY shall continue to use the point-of sale methodology to
25 provide patient information to build a COUNTY patient database receiving services under this
26 Agreement. The COUNTY shall continue to explore and will implement if and when ready for a
27 providing an accurate weekly consumer eligibility electronic file at a mutually agreed upon time and
28 date.

- 1 2) Provide and update COUNTY formularies as necessary
- 2 3) Identify needed reports for COUNTY Departments
- 3 4) Indicators on eligibility files (e.g. Medi-Cal or other files defined
- 4 by COUNTY), when available
- 5 5) COUNTY shall designate a point of contact for the duration of
- 6 the contract to whom all contractor communications may be addressed
- 7 6) Current list of COUNTY'S prescribing physicians

8 **2. TERM**

9 The term of this Agreement shall be for a period of three (3) years commencing July 1,
 10 2021 through and including June 30, 2024. This Agreement may be extended for two (2) additional
 11 consecutive twelve (12) month periods upon the written approval of both parties not later than sixty (60)
 12 days prior to the first day of the next twelve (12) month extension period. The COUNTY's DBH Director,
 13 or designee, is authorized to execute such written approval on behalf of COUNTY based on
 14 CONTRACTOR's satisfactory performance.

15 **3. TERMINATION**

16 A. Non-Allocation of Funds - The terms of this Agreement, and the services to be
 17 provided thereunder, are contingent on the approval of funds by the appropriating government agency.
 18 Should sufficient funds not be allocated, the services provided may be modified as agreed upon by
 19 CONTRACTOR, or this Agreement terminated at any time by giving the CONTRACTOR thirty (30) days
 20 advance written notice.

21 B. Breach of Contract - The COUNTY may immediately suspend or terminate this
 22 Agreement in whole or in part, where in the determination of the COUNTY there is:

- 23 1) An illegal or improper use of funds;
- 24 2) A failure to comply with any term of this Agreement;
- 25 3) A substantially incorrect or incomplete report submitted to the
- 26 COUNTY;
- 27 4) An improperly performed service;
- 28 5) Failure by CONTRACTOR to pay Pharmacies as required; and

1 6) CONTRACTOR fails to cure such breach within thirty (30) days of
2 notice from the COUNTY.

3 In no event shall any payment by the COUNTY constitute a waiver by the
4 COUNTY of any breach of this Agreement or any default which may then exist on the part of the
5 CONTRACTOR. Neither shall such payment impair or prejudice any remedy available to the COUNTY
6 with respect to the breach or default. The COUNTY shall have the right to demand of the
7 CONTRACTOR the repayment to the COUNTY of any funds disbursed to the CONTRACTOR under this
8 Agreement, which in the reasonable judgment of the COUNTY were not expended in accordance with
9 the terms of this Agreement. The CONTRACTOR shall promptly refund any such funds upon demand or
10 at COUNTY's option such repayment shall be deducted from future payments owed to CONTRACTOR
11 under this Agreement.

12 C. Without Cause – Under circumstances other than those set forth above,
13 this Agreement may be terminated by COUNTY, COUNTY's DBH or DSS Director or designees, or
14 CONTRACTOR upon the giving of sixty (60) days advance written notice of an intention to terminate

15 **4. COMPENSATION**

16 COUNTY agrees to pay CONTRACTOR and CONTRACTOR agrees to receive
17 compensation for services provided to COUNTY's program stated herein, as follows:

18 A. CONTRACTOR shall invoice COUNTY based on price discounts off the current
19 published Average Wholesale Price (AWP), as set forth in Section 4.C., below and in Exhibit C,
20 attached hereto and by this reference incorporated herein. Average wholesale price (AWP) shall be
21 based on the AWP benchmark figure established by Medi-Span, a nationally recognized and
22 accepted pharmaceutical industry pricing source indexing (i.e.: Medi-Span's Walters Kluwer Price
23 Alert). Any additional costs administrative fees, dispensing fees and any other fees mentioned below
24 shall also be included in CONTRACTOR'S invoice to COUNTY.

25 B. CONTRACTOR shall invoice COUNTY only for consumers with MIA/MSP
26 Certification and patients with an UMDAP Certification, as transmitted to CONTRACTOR, in
27 accordance to Paragraph 5 of this Agreement and in accordance with Exhibit A.

28 C. CONTRACTOR shall provide the following discounts off the AWP pricing. For FY

1 2021-22, FY 2022-23, and FY 2023-24 brand name medications, the ingredient cost shall be AWP less
2 a Seventeen percent (17%) discount fee plus Two and No/100 Dollars (\$2.00) for dispensing fee. For
3 generic class medications, the ingredient cost shall be at AWP less a Seventy-Eight percent (78%)
4 discount fee plus Two and No/100 Dollars (\$2.00) dispensing fee. For FY 2024-25, brand name
5 medications, the ingredient cost shall be AWP less a Seventeen percent (17.10%) discount fee plus Two
6 and No/100 Dollars (\$2.00) for dispensing fee. For generic class medications, the ingredient cost shall
7 be at AWP less a Seventy-Eight percent (78.50%) discount fee plus Two and No/100 Dollars (\$2.00)
8 dispensing fee. For FY 2025-26, brand name medications, the ingredient cost shall be AWP less a
9 Seventeen percent (17.20%) discount fee plus Two and No/100 Dollars (\$2.00) for dispensing fee. For
10 generic class medications, the ingredient cost shall be at AWP less a Seventy-Nine percent (79%)
11 discount fee plus Two and No/100 Dollars (\$2.00) dispensing fee. It is further agreed that there shall be
12 no minimum cost per prescription for legend prescriptions (medications prescribed by a doctor).
13 COUNTY shall not pay dispensing and administrative fee for any claims inadvertently added to invoice
14 then reversed by CONTRACTOR's pharmacies. COUNTY shall pay for dispensing and administrative
15 fees when claim is denied due to a Medi-Cal denial. AWP discount amounts set forth above and in
16 Exhibit C represent aggregate effective rates and are measured on an annual basis on each
17 anniversary. Individual prescription claims may vary above or below the AWP discount. The parties
18 agree that prescription claim prices (i.e., ingredient costs plus dispensing fees) charged the COUNTY by
19 CONTRACTOR may be higher or lower than the amounts CONTRACTOR reimburses the Pharmacies.
20 If the pharmacy reimbursement amount is lower than the amount charged to the COUNTY,
21 CONTRACTOR retains the difference, as its compensation under this Agreement. If the pharmacy
22 reimbursement amount is higher than the amount charged to the COUNTY, COUNTY is not responsible
23 for the difference.

24 D. COUNTY reserves the right to have CONTRACTOR verify AWP pricing and
25 discounts at any time during the term of the Agreement. COUNTY shall randomly check for correct
26 pricing on all invoices. In the event COUNTY objects to the AWP pricing, COUNTY is still obligated to
27 remit payment of the full payment amount to CONTRACTOR within the agreed upon payment terms.
28 Within 30 days of COUNTY'S payment of the invoice, COUNTY shall identify and fully explain the basis

1 for such objections in writing to CONTRACTOR. COUNTY and CONTRACTOR will then work together
2 to determine the validity of the amounts to which COUNTY has objected. CONTRACTOR will reconcile
3 any overpayments or underpayments through a charge or credit in a subsequent invoice to COUNTY.

4 E. CONTRACTOR'S Pharmacies shall deliver prescriptions to COUNTY's facilities.
5 COUNTY shall pay no fee for each delivery regardless of the number of prescriptions, delivery size and
6 time the delivery is made. CONTRACTOR'S Pharmacies shall make these deliveries, when requested,
7 Twenty-Four (24) hours a day Seven (7) days a week, including weekends and holidays.
8 CONTRACTOR'S Pharmacies will make every reasonable effort to make rush emergency deliveries at
9 the same rate within one hour from the time called in by designated COUNTY staff. Non-rush deliveries
10 may be made as soon as possible but within three (3) hours from the time prescription(s) were called in
11 by COUNTY staff.

12 F. Maximum Compensation Amounts

13 The maximum amount of compensation paid to CONTRACTOR shall not exceed
14 Sixty Thousand and No/100 Dollars (\$60,000.00) for the period of July 1, 2021 through June 30, 2022
15 and each subsequent twelve (12) month period of the Agreement. In no event shall the total maximum
16 total compensation amount under this Agreement for FY 2021-22, FY 2022-23, and FY 2023-24
17 combined exceed One Hundred Eighty Thousand and No.00/100 Dollars (\$180,000.00) for the total
18 Agreement.

19 If performance standards are met and this Agreement is extended for an additional
20 twelve (12) month term pursuant to Section Two (2) of this Agreement, then in no event shall the total
21 maximum compensation amount under this Agreement for FY 2021-22, FY 2022-23, FY 2023-24, and
22 FY 2024-25 combined exceed Two Hundred Forty Thousand and No/100 Dollars (\$240,000.00) for the
23 total Agreement.

24 If performance standards are met and this Agreement is extended for an additional
25 twelve (12) month term pursuant to Section Two (2) of this Agreement, then in no event shall the total
26 maximum compensation amount under this Agreement for FY 2021-22, FY 2022-23, FY 2023-24, FY
27 2024-25, and FY 2025-26 combined exceed Three Hundred Thousand and No/100 Dollars
28 (\$300,000.00) for the total Agreement.

1 G. It is understood that all expenses incidental to CONTRACTOR's performance of
2 services under this Agreement shall be borne by CONTRACTOR. If CONTRACTOR fails to comply with
3 any provision of this Agreement, COUNTY shall be relieved of its obligation for further compensation.

4 H. Payments shall be made by COUNTY to CONTRACTOR in arrears, for actual
5 services provided during the preceding month, within forty-five (45) days after receipt, verification, and
6 approval by COUNTY of the monthly invoicing, as described in Section Five (5) herein. Payments shall
7 be made in accordance with Exhibit C and shall be submitted to COUNTY on a monthly basis.

8 **5. INVOICING**

9 CONTRACTOR shall invoice COUNTY in arrears by the tenth (10th) of each month in an
10 electronic data download invoice. Contractor shall make available an associate excel file for the
11 electronic invoice and shall enable the downloading of the invoice claims for COUNTY staff access.
12 Separate invoices will be sent to the Department of Behavioral Health and the Department of Children
13 and Family Services. Invoices shall be broken up by Groups which will have Plan IDs listed separately.
14 CONTRACTOR shall invoice the Department of Behavioral Health in arrears for actual expenses
15 incurred and services rendered in the previous month to: dbhinvoicereview@fresnocountyca.gov.
16 CONTRACTOR shall Invoice the Department of Social Services in arrears by the tenth (10th) of each
17 month for actual expenses incurred and services rendered in the previous month to:
18 DSSInvoices@fresnocountyca.gov

19 At the discretion of COUNTY's DBH or DSS Director, or their designees, failure by
20 CONTRACTOR to submit invoices as stated above, may result in CONTRACTOR's invoices being
21 disallowed/denied. Any incomplete data or incorrect invoice shall be returned to CONTRACTOR with
22 explanations of the item(s) requiring correction(s). COUNTY shall pay the invoice within forty-five (45)
23 days upon receiving and verifying the corrected invoice. In addition, for invoices received more than
24 ninety (90) days after the expiration of each term of this Agreement or termination of this Agreement, at
25 the discretion of COUNTY's DBH and DSS Director or designees, COUNTY reserves the right to deny
26 payment of any additional invoices received.

27 CONTRACTOR shall bill COUNTY only for MIA/MSP and UMDAP clients. COUNTY shall
28 ensure that only authorized clients are referred to this program. CONTRACTOR agrees to not bill for

1 any unauthorized clients. COUNTY shall not pay for any services to consumers eligible for Medi-Cal or
2 any third-party insurance. Invoice amounts for clients found to be eligible for Medi-Cal or any other third-
3 party insurance shall be denied by the COUNTY and CONTRACTOR shall be provided with alternate
4 billing information. CONTRACTOR shall require Pharmacies to make every reasonable effort to reverse
5 and rebill claims as requested by COUNTY. CONTRACTOR will issue credit to Pharmacies on
6 subsequent invoicing for any successfully rebilled claims.

7 **6. INDEPENDENT CONTRACTOR**

8 In performance of the work, duties and obligations assumed by CONTRACTOR under this
9 Agreement, it is mutually understood and agreed that CONTRACTOR, including any and all of the
10 CONTRACTOR'S officers, agents, and employees will at all times be acting and performing as an
11 independent CONTRACTOR, and shall act in an independent capacity and not as an officer, agent,
12 servant, employee, joint venturer, partner, or associate of the COUNTY. Furthermore, COUNTY shall
13 have no right to control or supervise or direct the manner or method by which CONTRACTOR shall
14 perform its work and function. However, COUNTY shall retain the right to administer this Agreement so
15 as to verify that CONTRACTOR is performing its obligations in accordance with the terms and conditions
16 thereof.

17 CONTRACTOR and COUNTY shall comply with all applicable provisions of law and the
18 rules and regulations, if any, of governmental authorities having jurisdiction over matters, which are
19 directly or indirectly the subject of this Agreement.

20 Because of its status as an independent contractor, CONTRACTOR shall have absolutely
21 no right to employment rights and benefits available to COUNTY employees. CONTRACTOR shall be
22 solely liable and responsible for providing to, or on behalf of, its employees all legally-required employee
23 benefits. In addition, CONTRACTOR shall be solely responsible and save COUNTY harmless from all
24 matters relating to payment of CONTRACTOR'S employees, including compliance with Social Security
25 withholding and all other regulations governing such matters. It is acknowledged that during the term of
26 this Agreement, CONTRACTOR may be providing services to others unrelated to the COUNTY or to this
27 Agreement.

28

1 **7. MODIFICATION**

2 Any matters of this Agreement may be modified from time to time by the written consent of
3 all the parties without, in any way, affecting the remainder.

4 Notwithstanding the above, changes to medication pricing, co-pay amounts, and
5 addresses to which notices or invoices are to be sent may be made with the mutual written approval of
6 COUNTY's DBH Director and DSS Director, or their designees. Any such modification shall not increase
7 the maximum compensation payable under this Agreement.

8 **8. NON-ASSIGNMENT**

9 No party shall assign, transfer or subcontract this Agreement nor their rights or duties
10 under this Agreement without the prior written consent of COUNTY.

11 **9. HOLD HARMLESS**

12 CONTRACTOR agrees to indemnify, save, and hold harmless, and at COUNTY's
13 request, defend COUNTY, its officers, agents and employees from any and all costs and expenses,
14 including attorney fees and court costs, damages, liabilities, claims and losses occurring or resulting
15 to COUNTY in connection with the performance, or failure to perform, by CONTRACTOR, its officers,
16 agents or employees under this Agreement, and from any and all costs and expenses, including
17 attorney fees and court costs, damages, liabilities, claims and losses occurring or resulting to any
18 person, firm or corporation who may be injured or damaged by the performance, or failure to perform,
19 of CONTRACTOR, their officers, agents or employees under this Agreement.

20 CONTRACTOR agrees to indemnify COUNTY for Federal, State of California and/or
21 local audit exceptions resulting from noncompliance herein on the part of CONTRACTOR.

22 **10. INSURANCE**

23 Without limiting the COUNTY's right to obtain indemnification from CONTRACTOR or
24 any third parties, CONTRACTOR, at its sole expense, shall maintain in full force and effect, the
25 following insurance policies throughout the term of the Agreement:

26 A. Commercial General Liability

27 Commercial General Liability Insurance with limits of not less than Two Million
28 Dollars (\$2,000,000) per occurrence and an annual aggregate of Five Million
 Dollars (\$5,000,000). This policy shall be issued on a per occurrence basis.

1 COUNTY may require specific coverages including completed operations,
2 products liability, contractual liability, Explosion-Collapse-Underground, fire legal
3 liability or any other liability insurance deemed necessary because of the nature of
4 this contract.

5 B. Automobile Liability

6 Insurance Services Office Form Number CA 0001 covering, Code 1 (any auto), or
7 if Consultant has no owned autos, Code 8 (hired) and 9 (non-owned) with limits of
8 not less than) One Million Dollars (\$1,000,000) per accident for bodily injury and
9 property damage.

10 C. Professional Liability

11 If CONTRACTOR employs licensed professional staff, (e.g., Ph.D., R.N.,
12 L.C.S.W., M.F.T.) in providing services, Professional Liability Insurance with limits
13 of not less than One Million Dollars (\$1,000,000.00) per occurrence, Three Million
14 Dollars (\$3,000,000.00) annual aggregate. CONTRACTOR agrees that it shall
15 maintain, at its sole expense, in full force and affect for a period of three (3) years
16 following the termination of this Agreement, one or more policies of professional
17 liability insurance with limits of coverage as specified herein.

18 D. Worker's Compensation

19 A policy of Worker's Compensation insurance as may be required by the California
20 Labor Code.

21 E. Cyber Liability

22 Cyber Liability Insurance, with limits not less than Two Million Dollars (\$2,000,000)
23 per occurrence or claim, Two Million Dollars (\$2,000,000) aggregate. Coverage
24 shall be sufficiently broad to respond to duties and obligations undertaken by
25 CONTRACTOR in this agreement and shall include, but not be limited to, claims
26 involving infringement of intellectual property, including but not limited to
27 infringement of copyright, trademark, trade dress, invasion of privacy violations,
28 information theft, damage to or destruction of electronic information, release of
private information, alteration of electronic information, extortion and network
security. The policy shall provide coverage for breach response costs as well as
regulatory fines and penalties as well as credit monitoring expenses with limits
sufficient to respond to these obligations.

Additional Requirements Related to Insurance

CONTRACTOR hereby waives its right to recover from COUNTY, its officers, agents,
employees any amounts paid by the policy of worker's compensation insurance required by this
Agreement. CONTRACTOR is solely responsible to obtain any endorsement to such policy that may be
necessary to accomplish such waiver of subrogation, but CONTRACTOR's waiver of subrogation under

1 and this paragraph is effective whether or not CONTRACTOR obtains such an endorsement.

2 CONTRACTOR shall obtain endorsements to the Commercial General Liability insurance
3 naming the County of Fresno, its officers, agents, and employees, individually and collectively, as
4 additional insured, but only insofar as the operations under this Agreement are concerned. Such
5 coverage for additional insured shall apply as primary insurance and any other insurance, or
6 self-insurance, maintained by COUNTY, its officers, agents and employees shall be excess only and not
7 contributing with insurance provided under CONTRACTOR's policies herein. This insurance shall not be
8 cancelled or changed without a minimum of thirty (30) days advance written notice given to COUNTY.

9 Within thirty (30) days from the date CONTRACTOR signs this Agreement,
10 CONTRACTOR shall provide certificates of insurance and endorsement as stated above for all of the
11 foregoing policies, as required herein, to the County of Fresno, Department of Behavioral Health , 3133
12 Millbrook Ave, Fresno, CA 93703, Attention: Mental Health Contracted Services Division, or
13 electronically to dbhcontractedservicesdivision@fresnocountyca.gov with a copy to the assigned
14 COUNTY DBH and DSS Staff Analyst, stating that such insurance coverages have been obtained and
15 is in full force; that the County of Fresno, its officers, agents and employees will not be responsible for
16 any premiums on the policies; that such Commercial General Liability insurance names the County of
17 Fresno, its officers, agents and employees, individually and collectively, as additional insured, but only
18 insofar as the operations under this Agreement are concerned; that such coverage for additional insured
19 shall apply as primary insurance and any other insurance, or self-insurance, maintained by COUNTY, its
20 officers, agents and employees, shall be excess only and not contributing with insurance provided under
21 CONTRACTOR's policies herein; and that this insurance shall not be cancelled or changed without a
22 minimum of thirty (30) days advance written notice given to COUNTY.

23 Any independent contractor hired by CONTRACTOR which CONTRACTOR is not
24 extending insurance coverage to must maintain in full force and effect similar insurance policies or a
25 program of self-insurance, including but not limited to, an insurance pooling arrangement or Joint Powers
26 Agreement (JPA) throughout the term of the Agreement.

27 In the event CONTRACTOR fails to keep in effect at all times insurance coverage as
28 herein provided, the COUNTY may, in addition to other remedies it may have, suspend or terminate this

1 Agreement upon the occurrence of such event.

2 All policies shall be with admitted insurers licensed to do business in the State of
3 California. Insurance purchased shall be purchased from companies possessing a current A.M. Best,
4 Inc. rating of A FSC VII or better.

5 **11. LICENSES/CERTIFICATES**

6 Throughout the term of this Agreement, CONTRACTOR and CONTRACTOR's staff
7 shall maintain all necessary licenses, permits, approvals, certificates, waivers and exemptions
8 necessary for the provision of services hereunder and required by the laws and regulations of the
9 United States, State of California, the County of Fresno, and any other applicable governmental
10 agencies. CONTRACTOR shall notify COUNTY immediately in writing of its inability to obtain or
11 maintain such licenses, permits, approvals, certificates, waivers and exemptions irrespective of the
12 pendency of any appeal related thereto. Additionally, CONTRACTOR and CONTRACTOR's staff
13 shall comply with all applicable laws, rules or regulations, as may now exist or be hereafter changed.

14 **12. COMPLIANCE WITH STATE MENTAL HEALTH REQUIREMENTS**

15 CONTRACTOR recognizes that COUNTY operates its mental health programs under
16 an agreement with the State of California Department of Health Care Services, and that under said
17 agreement the State of California imposes certain requirements on COUNTY and its subcontractors.
18 CONTRACTOR shall adhere to all State requirements, including those identified in Exhibit D, "State
19 Mental Health Requirements", attached hereto and by this reference incorporated herein and made
20 part of this Agreement.

21 **13. INFORMATION SYSTEM DATA**

22 In order to facilitate convenient consumer prescription pick up at CONTRACTOR's
23 Pharmacies, CONTRACTOR and COUNTY shall exchange consumer data on an as needed basis.
24 CONTRACTOR shall ensure that the Pharmacies shall provide professional and unimpeded services
25 to COUNTY consumers. CONTRACTOR shall expediently solve any problems which prevent the
26 prescription from being filled and picked up by the consumer. Additionally, new consumer information
27 being provided by COUNTY may be entered into said database by CONTRACTOR'S Pharmacies.

28

1 **14. CONFIDENTIALITY**

2 All services performed by CONTRACTOR under this Agreement shall be in strict
3 conformance with all applicable Federal, State of California and/or local laws and regulations relating to
4 confidentiality.

5 **15. HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT**

6 A. Integrated Prescription Management, Inc. (“Business Associate” or
7 “CONTRACTOR” and the County of Fresno, California (“Covered Entity” or “COUNTY”) strictly comply
8 with all applicable Federal and State of California laws and regulations, including but not limited to
9 Sections 5328, 10850, and 14100.2 et seq. of the Welfare and Institutions Code, Sections 2.1 and
10 431.300 et seq. of Title 42, Code of Federal Regulations (CFR), Section 56 et seq. of the California Civil
11 Code, Sections 11977 and 11812 of Title 22 of the California Code of Regulations, and the Health
12 Insurance Portability and Accountability Act (HIPAA), including but not limited to Section 1320 D et seq.
13 of Title 42, United States Code (USC) and its implementing regulations, including, but not limited to Title
14 45, CFR, Sections 142, 160, 162, and 164, The Health Information Technology for Economic and
15 Clinical Health Act (HITECH) regarding the confidentiality and security of patient information, and the
16 Genetic Information Nondiscrimination Act (GINA) of 2008 regarding the confidentiality of genetic
17 information. Capitalized terms used herein but not otherwise defined shall have the same meaning as
18 those terms used under HIPAA.

19 Except as otherwise provided in this Agreement, CONTRACTOR, as a Business
20 Associate of COUNTY, may use or disclose Protected Health Information (PHI) to perform functions,
21 activities or services for or on behalf of COUNTY, as specified in this Agreement, provided that such use
22 or disclosure shall not violate the Health Insurance Portability and Accountability Act (HIPAA), USC
23 1320d et seq. The uses and disclosures of PHI may not be more expansive than those applicable to
24 COUNTY, as the “Covered Entity” under the HIPAA Privacy Rule (45 CFR 164.500 et seq.), except as
25 authorized for management, administrative or legal responsibilities of the Business Associate.

26 B. CONTRACTOR, including its subcontractors, independent contractors, and
27 employees, shall protect, from unauthorized access, use, or disclosure of names and other identifying
28 information, including genetic information, concerning persons receiving services pursuant to this

1 Agreement, except where permitted in order to carry out data aggregation purposes for health care
2 operations [45 CFR Sections 164.504 (e)(2)(i), 164.504 (3)(2)(ii)(A), and 164.504 (e)(4)(i)]. This pertains
3 to any and all persons receiving services pursuant to a COUNTY funded program. This requirement
4 applies to electronic PHI. CONTRACTOR shall not use such identifying information or genetic
5 information for any purpose other than carrying out CONTRACTOR's obligations under this Agreement.

6 C. CONTRACTOR, including its subcontractors, independent contractors, and
7 employees, shall not disclose any such identifying information or genetic information to any person or
8 entity, except as otherwise specifically permitted by this Agreement, authorized by Subpart E of 45 CFR
9 Part 164 or other law, required by the Secretary, or authorized by the Individual in writing. In using or
10 disclosing PHI that is permitted by this Agreement or authorized by law, CONTRACTOR shall make
11 reasonable efforts to limit PHI to the minimum necessary to accomplish intended purpose of use,
12 disclosure or request.

13 D. For purposes of the above sections, identifying information shall include, but not
14 be limited to name, identifying number, address, or other identifying particular assigned to the Individual,
15 as defined under applicable law.

16 E. For purposes of the above sections, genetic information shall include genetic tests
17 of family members of an Individual or Individual, manifestation of disease or disorder of family members
18 of an individual, or any request for or receipt of, genetic services by individual or family members.
19 Family member means a dependent or any person who is first, second, third, or fourth degree relative.

20 F. CONTRACTOR shall provide access, at the request of COUNTY, and in the time
21 and manner designated by COUNTY, to PHI in a Designated Record Set (as defined in 45 CFR Section
22 164.501), to an Individual or to COUNTY in order to meet the requirements of 45 CFR Section 164.524
23 regarding access by Individuals to their PHI. With respect to Individual requests, access shall be
24 provided within thirty (30) days from request. Access may be extended if CONTRACTOR cannot
25 provide access and provides Individual with the reasons for the delay and the date when access may be
26 granted. PHI shall be provided in the form and format requested by the Individual or COUNTY.

27 CONTRACTOR shall make any amendment(s) to PHI in a Designated Record Set at the
28 request of COUNTY or Individual, and in the time and manner designated by COUNTY in accordance

1 with 45 CFR Section 164.526.

2 CONTRACTOR shall provide to COUNTY or to an Individual, in a time and manner
3 designated by COUNTY, information collected in accordance with 45 CFR Section 164.528, to permit
4 COUNTY to respond to a request by the Individual for an accounting of disclosures of PHI in accordance
5 with 45 CFR Section 164.528.

6 G. CONTRACTOR shall report to COUNTY, in writing, any knowledge or reasonable
7 belief that there has been a Security Incident or Breach of Unsecured PHI not permitted by this
8 Agreement of which it becomes aware, immediately and without reasonable delay and in no case later
9 than fourteen (14) business days of discovery. Immediate notification shall be made to COUNTY's
10 Information Security Officer and Privacy Officer and COUNTY's DPH HIPAA Representative, within
11 fourteen (14) business days of discovery. The notification shall include, to the extent possible, the
12 identification of each Individual whose Unsecured PHI has been, or is reasonably believed to have been,
13 accessed, acquired, used, disclosed, or breached. CONTRACTOR shall take prompt corrective action
14 to cure any deficiencies and any action pertaining to such unauthorized disclosure required by applicable
15 Federal and State Laws and regulations. CONTRACTOR shall investigate such Breach and is
16 responsible for all notifications required by law and regulation or deemed necessary by COUNTY and
17 shall provide a written report of the investigation and reporting required to COUNTY's Information
18 Security Officer and Privacy Officer and COUNTY's DPH HIPAA Representative. This written
19 investigation and description of any reporting necessary shall be postmarked within the thirty (30)
20 working days of the discovery of the breach to the addresses below:

21	County of Fresno	County of Fresno	County of Fresno
22	Dept. of Public Health	Dept. of Public Health	Information Technology Services
23	HIPAA Representative	Privacy Officer	Information Security Officer
24	(559) 600-6439	(559) 600-6405	(559) 600-5800
25	P.O. Box 11867	P.O. Box 11867	2048 N. Fine Street
26	Fresno, CA 93775	Fresno, CA 93775	Fresno, CA 93727

25 The parties acknowledge and agree that this Section G constitutes notice by
26 CONTRACTOR to COUNTY of the ongoing existence and occurrence of attempted but Unsuccessful
27 Security Incidents (as defined below) for which no additional notice to COUNTY shall be required.
28

1 “Unsuccessful Security Incidents” shall include, but are not limited to, pings and other broadcast attacks
2 on CONTRACTOR’S firewall, port scans, unsuccessful log-on attempts, denials of service and any
3 combination of the above, so long as no such incident results in unauthorized acquisition, access, use,
4 or disclosure of PHI.

5 H. CONTRACTOR shall make its internal practices, books, and records relating to
6 the use and disclosure of PHI received from COUNTY, or created or received by the CONTRACTOR on
7 behalf of COUNTY, in compliance with HIPAA’s Privacy Rule, including, but not limited to the
8 requirements set forth in Title 45, CFR, Sections 160 and 164. CONTRACTOR shall make its internal
9 practices, books, and records relating to the use and disclosure of PHI received from COUNTY, or
10 created or received by the CONTRACTOR on behalf of COUNTY, available to the United States
11 Department of Health and Human Services (Secretary) upon demand.

12 CONTRACTOR shall cooperate with the compliance and investigation reviews conducted
13 by the Secretary. PHI access to the Secretary must be provided during the CONTRACTOR’s normal
14 business hours, however, upon exigent circumstances access at any time must be granted. Upon the
15 Secretary’s compliance or investigation review, if PHI is unavailable to CONTRACTOR and in
16 possession of a Subcontractor, it must certify efforts to obtain the information to the Secretary.

17 I. Safeguards

18 CONTRACTOR shall implement administrative, physical, and technical safeguards as
19 required by the HIPAA Security Rule, Subpart C of 45 CFR 164, that reasonably and appropriately
20 protect the confidentiality, integrity, and availability of PHI, including electronic PHI, that it creates,
21 receives, maintains or transmits on behalf of COUNTY and to prevent unauthorized access, viewing,
22 use, disclosure, or breach of PHI other than as provided for by this Agreement. CONTRACTOR shall
23 conduct thorough assessment of the potential risks and vulnerabilities to the confidential, integrity and
24 availability of electronic PHI. CONTRACTOR shall develop and maintain a written information privacy
25 and security program that includes administrative, technical and physical safeguards appropriate to the
26 size and complexity of CONTRACTOR’s operations and the nature and scope of its activities. Upon
27 COUNTY’s request, CONTRACTOR shall provide COUNTY with information concerning such
28 safeguards.

1 CONTRACTOR shall implement strong access controls and other security safeguards and
2 precautions in order to restrict logical and physical access to confidential, personal (e.g., PHI) or
3 sensitive data to authorized users only.

4 CONTRACTOR shall not transmit PHI or other information as Required by Law via e-mail
5 or other internet transport protocol unless the data is encrypted by a solution that has been validated by
6 the National Institute of Standards and Technology (NIST) as conforming to the Advanced Encryption
7 Standard (AES) Algorithm. CONTRACTOR must apply appropriate sanctions against its employees
8 who fail to comply with these safeguards. CONTRACTOR must adopt procedures for terminating
9 access to PHI when employment of employee ends.

10 J. Mitigation of Harmful Effects

11 CONTRACTOR shall mitigate, to the extent practicable, any harmful effect that is known
12 to CONTRACTOR of an unauthorized access, viewing, use, disclosure, or breach of PHI by
13 CONTRACTOR or its Subcontractors in violation of the requirements of these provisions.
14 CONTRACTOR must document suspected or known harmful effects and the outcomes use or
15 disclosure of PHI by CONTRACTOR in violation of this Agreement. CONTRACTOR contractually
16 requires contracted Pharmacies (as defined in the Agreement) to comply with HIPAA and applicable
17 laws.

18 K. CONTRACTOR's Subcontractors

19 CONTRACTOR shall ensure that any of its contractors, including Subcontractors to
20 whom CONTRACTOR provides PHI received from or created or received by CONTRACTOR on behalf
21 of COUNTY, agree to the substantially the same restrictions, safeguards, and conditions that apply to
22 CONTRACTOR under this Agreement with respect to such PHI.

23 L. Employee Training and Discipline

24 CONTRACTOR shall train and use reasonable measures to ensure compliance with the
25 requirements of these provisions by employees who assist in the performance of functions or activities
26 on behalf of COUNTY under this Agreement and use or disclose PHI and discipline such employees
27 who intentionally violate any provisions of these provisions, including termination of employment.

28

1 M. Permitted Uses and Disclosures by CONTRACTOR.

2 1. Business Associate may use or disclose PHI to perform functions,
3 activities and services for or on behalf of, Covered Entity as provided in this BAA and the Agreement.
4 Such uses and disclosures shall be limited to those that would not violate the Privacy Rule if done by
5 Covered Entity except that Business Associate may use and disclose PHI:

6 (a) for the proper management and administration of Business
7 Associate or to carry out its legal responsibilities; provided that, in the case of any disclosures for this
8 purpose, the disclosure is Required by Law or Business Associate obtains reasonable assurances in
9 writing from the person to whom the information is disclosed, that it will remain confidential and used or
10 further disclosed only as Required By Law or for the purpose for which it was disclosed to the person,
11 and that the person will notify Business Associate of any instances of which it is aware in which the
12 confidentiality of the information has been breached; and

13 (b) to provide Data Aggregation services to Covered Entity as
14 permitted by 45 CFR 164.504(e)(2)(i)(B);

15 2. Business Associate may also use and disclose PHI: (a) to respond
16 on behalf of Covered Entity to requests for PHI accompanied by an authorization that meets the
17 requirements of 45 CFR 164.508; (b) to de-identify the information or create a limited data set in
18 accordance with 45 CFR §164.514, which de-identified information or limited data set may be used and
19 disclosed by Business Associate as permitted by law, including HIPAA; (c) to report violations of law to
20 appropriate federal and state authorities, consistent with 45 CFR §164.502(j)(1); and (iv) as authorized
21 in writing by Covered Entity.

22 N. Obligations of COUNTY

23 1. COUNTY shall provide PHI to CONTRACTOR in compliance with
24 the Minimum Necessary standard of the Privacy Rule. COUNTY shall not ask or require CONTRACTOR
25 to use or disclose PHI in a manner in which CONTRACTOR could not do as a CONTRACTOR except
26 as permitted by 45 CFR 164.504(e) to perform Data Aggregation services.

27 2. COUNTY represents and warrants that its Notice of Privacy
28 Practices complies with 45 C.F.R. 164.520 and permits COUNTY to use and disclose PHI in the manner

1 that Business Associate is authorized to use and disclose Protected Health Information under this BAA.

2 3. To the extent that the COUNTY honors a request to restrict the use
3 or disclosure of PHI pursuant to 45 C.F.R. 164.522(a), COUNTY agrees not to provide such PHI to
4 Business Associate unless COUNTY notifies Business Associate of the restriction and Business
5 Associate advises COUNTY that it is able to accommodate the restriction.

6 4. Covered Entity shall obtain any consent or authorization that may
7 be required by applicable federal or state laws in order for Business Associate to provide its services
8 under the Agreement.

9 O. Termination for Cause

10 Upon COUNTY's knowledge of a material breach of these provisions by CONTRACTOR,
11 COUNTY shall either:

12 1. Provide an opportunity for CONTRACTOR to cure the breach or
13 end the violation and terminate this Agreement if CONTRACTOR does not cure the breach or end the
14 violation within the time specified by COUNTY; or

15 2. Immediately terminate this Agreement if CONTRACTOR has
16 breached a material term of these provisions and cure is not possible.

17 3. If neither cure nor termination is feasible, the COUNTY's Privacy
18 Officer shall report the violation to the Secretary of the U.S. Department of Health and Human Services.

19 P. Termination due to Change in Law

20 Either party may terminate this Agreement immediately if any change of law or regulation,
21 or interpretation of existing law or regulation would: (i) make this Agreement or a material portion of a
22 party's performance under this Agreement illegal; or (ii) make such party's performance under this
23 Agreement impossible or otherwise materially alter the intent of this Agreement. Notwithstanding the
24 foregoing, if such a change or interpretation requires a material change to any term(s) of this Agreement,
25 or otherwise materially alters the intent of this Agreement, the parties will engage in good faith
26 negotiations in an attempt to reach mutually agreeable terms that comply with the changed law or
27 regulation, or interpretation. If the parties are unable to come to mutually agreeable terms, either party
28 may thereafter terminate the Agreement upon thirty (30) days' prior written notice to the other party.

1 Q. Judicial or Administrative Proceedings

2 COUNTY may terminate this Agreement in accordance with the terms and conditions of
3 this Agreement as written hereinabove, if: (1) CONTRACTOR is found guilty in a criminal proceeding for
4 a violation of the HIPAA Privacy or Security Laws or the HITECH Act; or (2) a finding or stipulation that
5 the CONTRACTOR has violated a privacy or security standard or requirement of the HITECH Act,
6 HIPAA or other security or privacy laws in an administrative or civil proceeding in which the
7 CONTRACTOR is a party.

8 R. Effect of Termination

9 Upon termination or expiration of this Agreement for any reason, CONTRACTOR shall
10 return or destroy all PHI received from COUNTY (or created or received by CONTRACTOR on behalf of
11 COUNTY) that CONTRACTOR still maintains in any form, and shall retain no copies of such PHI. If
12 return or destruction of PHI is not feasible, it shall continue to extend the protections of these provisions
13 to such information, and limit further use of such PHI to those purposes that make the return or
14 destruction of such PHI infeasible. This provision shall apply to PHI that is in the possession of
15 Subcontractors of CONTRACTOR.

16 S. Disclaimer

17 COUNTY makes no warranty or representation that compliance by CONTRACTOR with
18 these provisions, the HITECH Act, HIPAA or the HIPAA regulations will be adequate or satisfactory for
19 CONTRACTOR's own purposes or that any information in CONTRACTOR's possession or control, or
20 transmitted or received by CONTRACTOR, is or will be secure from unauthorized access, viewing, use,
21 disclosure, or breach. CONTRACTOR is solely responsible for all decisions made by CONTRACTOR
22 regarding the safeguarding of PHI.

23 T. Amendment

24 The parties acknowledge that Federal and State laws relating to electronic data security
25 and privacy are rapidly evolving and that amendment of these provisions may be required to provide for
26 procedures to ensure compliance with such developments. The parties specifically agree to take such
27 action as is necessary to amend this agreement in order to implement the standards and requirements
28 of HIPAA, the HIPAA regulations, the HITECH Act and other applicable laws relating to the security or

1 privacy of PHI. COUNTY may terminate this Agreement upon thirty (30) days written notice in the event
2 that CONTRACTOR does not enter into an amendment providing assurances regarding the
3 safeguarding of PHI that COUNTY in its sole discretion, deems sufficient to satisfy the standards and
4 requirements of HIPAA, the HIPAA regulations and the HITECH Act.

5 U. No Third-Party Beneficiaries

6 Nothing express or implied in the terms and conditions of these provisions is intended to
7 confer, nor shall anything herein confer, upon any person other than COUNTY or CONTRACTOR and
8 their respective successors or assignees, any rights, remedies, obligations or liabilities whatsoever.

9 V. Interpretation

10 The terms and conditions in these provisions shall be interpreted as broadly as necessary
11 to implement and comply with HIPAA, the HIPAA regulations and applicable State laws. The parties
12 agree that any ambiguity in the terms and conditions of these provisions shall be resolved in favor of a
13 meaning that complies and is consistent with HIPAA and the HIPAA regulations.

14 W. Regulatory References

15 A reference in the terms and conditions of these provisions to a section in the HIPAA
16 regulations means the section as in effect or as amended.

17 X. Survival

18 The respective rights and obligations of CONTRACTOR as stated in this Section shall
19 survive the termination or expiration of this Agreement.

20 Y. No Waiver of Obligations

21 No change, waiver or discharge of any liability or obligation hereunder on any one or more
22 occasions shall be deemed a waiver of performance of any continuing or other obligation, or shall
23 prohibit enforcement of any obligation on any other occasion.

24 **16. DATA SECURITY**

25 For the purpose of preventing the potential loss, misappropriation or inadvertent access,
26 viewing, use or disclosure of COUNTY data including sensitive or personal client information; abuse of
27 COUNTY resources; and/or disruption to COUNTY operations, individuals and/or agencies that enter
28 into a contractual relationship with COUNTY for the purpose of providing services under this Agreement

1 must employ adequate data security measures to protect the confidential information provided to
2 CONTRACTOR by COUNTY, including but not limited to the following:

3 A. CONTRACTOR-Owned Mobile, Wireless, or Handheld Devices

4 CONTRACTOR may not connect to COUNTY networks via personally-owned
5 mobile, wireless or handheld devices, unless the following conditions are met:

6 1) CONTRACTOR has received authorization by COUNTY for telecommuting
7 purposes;

8 2) Current virus protection software is in place;

9 3) Mobile device has the remote wipe feature enabled; and

10 4) A secure connection is used.

11 B. CONTRACTOR-Owned Computers or Computer Peripherals

12 CONTRACTOR may not bring CONTRACTOR-owned computers or computer
13 peripherals into COUNTY for use without prior authorization from COUNTY's Chief Information Officer
14 and/or designee(s), including but not limited to mobile storage devices. If data is approved to be
15 transferred, data must be encrypted and stored on a secure server approved by COUNTY and
16 transferred by means of a Virtual Private Network (VPN) connection, or another type of secure
17 connection. Said data must be encrypted.

18 C. COUNTY-Owned Computer Equipment

19 CONTRACTOR may not use COUNTY computers or computer peripherals on
20 non-County premises without prior authorization from COUNTY's Chief Information Officer and/or
21 designee(s).

22 D. CONTRACTOR may not store COUNTY's private, confidential or sensitive data on
23 any hard-disk drive, portable storage device, or remote storage installation unless encrypted.

24 E. CONTRACTOR shall be responsible to employ strict controls to ensure the
25 integrity and security of COUNTY's confidential information and prevent unauthorized access, viewing,
26 use, or disclosure of data maintained in computer files, program documentation, data processing
27 systems, data files, and data processing equipment which stores or processes COUNTY data internally
28 and externally.

1 F. Confidential client information transmitted to one party by the other by means of
2 electronic transmissions must be encrypted according to Advanced Encryption Standards (AES) of 128
3 BIT or higher. Additionally, a password or pass phrase must be utilized.

4 G. CONTRACTOR is responsible to immediately notify COUNTY of any violations,
5 breaches or potential breaches of security related to COUNTY's confidential information, data
6 maintained in computer files, program documentation, data processing systems, data files and data
7 processing equipment which stores or processes COUNTY data internally or externally.

8 H. COUNTY shall provide oversight to CONTRACTOR's response to all incidents
9 arising from a possible breach of security related to COUNTY's confidential client information provided to
10 CONTRACTOR. CONTRACTOR will be responsible to issue any notification to affected individuals as
11 required by law or as deemed necessary by COUNTY in its sole discretion. CONTRACTOR will be
12 responsible for all costs incurred as a result of providing the required notification.

13 **17. NON-DISCRIMINATION**

14 During the performance of this Agreement, CONTRACTOR and its subcontractors shall
15 not deny the contract's benefits to any person on the basis of race, religious creed, color, national origin,
16 ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex,
17 gender, gender identity, gender expression, age, sexual orientation, or military and veteran status, nor
18 shall they discriminate unlawfully against any employee or applicant for employment because of race,
19 religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition,
20 genetic information, marital status, sex, gender identity, gender expression, age, sexual orientation, or
21 military and veteran status.

22 CONTRACTOR shall ensure that the evaluation and treatment of employees and
23 applicants for employment are free of such discrimination. CONTRACTOR and its subcontractors shall
24 comply with the provisions of the Fair Employment and Housing Act (Gov. Code §12800 et seq.), the
25 regulations promulgated thereunder (Cal. Code Regs., tit. 2, §11000 et seq.), the provisions of Article
26 9.5, Chapter 1, Part 1, Division 3, Title 2 of the Government Code (Gov. Code §11135-11139.5), and the
27 regulations or standards adopted by the awarding state agency to implement such article.

28 CONTRACTOR shall permit access by representatives of the Department of Fair Employment and

1 Housing and the awarding state agency upon reasonable notice at any time during the normal business
2 hours, but in no case less than twenty-four (24) hours notice, to such of its books, records, accounts, and
3 all other sources of information and its facilities as said department or agency shall require to ascertain
4 compliance with this clause. CONTRACTOR and its contracted pharmacies shall give written notice of
5 their obligations under this clause to labor organizations with which they have a collective bargaining or
6 other agreement. (See Cal. Code Regs., tit. 2, §11105.) CONTRACTOR shall include the non-
7 discrimination and compliance provisions of this clause in all subcontracts to perform work under this
8 Agreement.

9 **18. PUBLICITY PROHIBITION**

10 None of the funds, materials, property or services provided directly or indirectly under
11 this Agreement shall be used for CONTRACTOR's advertising, fundraising, or publicity (*i.e.*,
12 purchasing of tickets/tables, silent auction donations, etc.) for the purpose of self-promotion.
13 Notwithstanding the above, publicity of the services described in Section One (1) of this Agreement
14 shall be allowed as necessary to raise public awareness about the availability of such specific
15 services when approved in advance by COUNTY's DBH and DSS Director, or designees and at a
16 cost to be provided for such items as written/printed materials, the use of media (*i.e.*, radio, television,
17 newspapers) and any other related expense(s).

18 **19. DISCLOSURE OF SELF-DEALING TRANSACTIONS**

19 This provision is only applicable if the CONTRACTOR is operating as a corporation (a
20 for-profit or non-profit corporation) or if during the term of the Agreement, the CONTRACTOR
21 changes its status to operate as a corporation.

22 Members of the CONTRACTOR's Management shall disclose any self-dealing
23 transactions that they are a party to while CONTRACTOR is providing goods or performing services
24 under this Agreement. A self-dealing transaction shall mean a transaction to which the
25 CONTRACTOR is a party and in which one or more of its directors has a material financial interest.
26 Members of CONTRACTOR's Management shall disclose any self-dealing transactions that they are
27 a party to by completing and signing a "Self-Dealing Transaction Disclosure Form", attached hereto
28 as Exhibit E and incorporated herein by reference and made part of this Agreement, and submitting it

1 to the COUNTY prior to commencing with the self-dealing transaction or immediately thereafter.

2 **20. AUDITS AND INSPECTIONS**

3 After reasonable notice to CONTRACTOR, CONTRACTOR shall, at any time during
4 business hours and as often as the COUNTY may deem necessary, make available to the COUNTY for
5 examination all of its records and data with respect to the matters covered by this Agreement. The
6 CONTRACTOR shall, upon request by the COUNTY, permit the COUNTY to audit and inspect all such
7 records and data necessary to ensure CONTRACTOR's compliance with the terms of this Agreement.

8 If this Agreement exceeds Ten Thousand and No/100 Dollars (\$10,000.00),
9 CONTRACTOR shall be subject to the examination and audit of the State Auditor General for a period of
10 three (3) years after final payment under contract (Government Code Section 8546.7).

11 **21. NOTICES:**

12 The persons having authority to give and receive notices under this Agreement include the
13 following:

14 COUNTY

15 Director, Fresno County
16 Department of Behavioral Health
17 1925 E. Dakota Ave
18 Fresno, CA 93726

19 Director, Fresno County
20 Department of Social Services
21 205 W Pontiac Way
22 Clovis, CA 93612

CONTRACTOR

Richard S. Adams, President
Integrated Prescription Management
7815 N. Palm Ave. Suite 400
Fresno, CA 93711

23 All notices between COUNTY and CONTRACTOR provided for or permitted under this
24 Agreement must be in writing and delivered either by personal service, by first-class United States mail,
25 by an overnight commercial courier service, or by telephonic facsimile transmission. A notice delivered
26 by personal service is effective upon service to the recipient. A notice delivered by first-class United
27 States mail is effective three (3) COUNTY business days after deposit in the United States mail, postage
28 prepaid, addressed to the recipient. A notice delivered by an overnight commercial courier service is

1 effective one (1) COUNTY business day after deposit with the overnight commercial courier service,
2 delivery fees prepaid, with delivery instructions given for next day delivery, addressed to the recipient. A
3 notice delivered by telephonic facsimile is effective when transmission to the recipient is completed (but,
4 if such transmission is completed outside of COUNTY business hours, then such delivery shall be
5 deemed to be effective at the next beginning of a COUNTY business day), provided that the sender
6 maintains a machine record of the completed transmission. For all claims arising out of or related to this
7 Agreement, nothing in this section establishes, waives, or modifies any claims presentation requirements
8 or procedures provided by law, including but not limited to the Government Claims Act (Division 3.6 of
9 Title 1 of the Government Code, beginning with section 810).

10 **22. GOVERNING LAW**

11 Venue for any action arising out of or related to this Agreement shall only be in Fresno
12 County, California. The rights and obligations of the parties and all interpretation and performance of this
13 Agreement shall be governed in all respects by the laws of the State of California.

14 **23. SEVERABILITY:**

15 If any non-material term, provision, covenant, or condition of this Agreement is held by a
16 court of competent jurisdiction to be void, invalid, or unenforceable, the remainder of the provisions shall
17 remain in full force and effect, and shall in no way be affected, impaired, or invalidated.

18 **24. ENTIRE AGREEMENT:**

19 This Agreement, including all Exhibits, constitutes the entire agreement between
20 CONTRACTOR and COUNTY with respect to the subject matter hereof and supersedes all previous
21 Agreement negotiations, proposals, commitments, writings, advertisements, publications, and
22 understanding of any nature whatsoever unless expressly included in this Agreement.

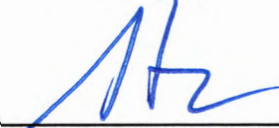
- 23 Exhibit A Summary of Services
- 24 Exhibit B List of Facilities
- 25 Exhibit C Rate Sheet
- 26 Exhibit D State Requirements
- 27 Exhibit E Self-Dealing Transaction Disclosure Form

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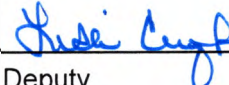
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IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first hereinabove written.

COUNTY OF FRESNO:

By 
Steven Brandau,
Chairman of the Board of Supervisors
of the County of Fresno

ATTEST:
BERNICE E. SEIDEL,
Clerk of the Board of Supervisors
County of Fresno, State of California

By 
Deputy

DBH:
Fund/Subclass: 0001/10000
Organization: 56304512
Account: 7295
(\$50,000 per FY)

DSS:
Fund/Subclass: 0001/10000
Organization: 56107001
Account #: 7295
(\$10,000 per FY)

**PLEASE SEE ADDITIONAL
SIGNATURE PAGES ATTACHED**

1 **CONTRACTOR:**
2 **INTEGRATED PRESCRIPTION MANAGEMENT**

3
4 By Rich Adams

5
6 Print Name: Rich Adams

7 Title: President & COO

8 Chairman of the Board, or
9 President, or any Vice President

10 Date: 6-25-2021

11
12
13 By Rich Adams

14
15 Print Name: Rich Adams

16 President & COO
17 Title: _____

18 Secretary (of Corporation), or
19 any Assistant Secretary, or

20 Chief Financial Officer, or
21 any Assistant Treasurer

22 Date: 6-25-2021

23
24
25 Mailing Address:
26 Integrated Prescription Management
27 7815 N. Palm Ave. Suite 400
28 Fresno, CA 93711
Phone No.: (858)774-2250
Contact: Rich Adams, President & COO

MEDICATION PAYMENTS FOR INDIGENT INDIVIDUALS PROGRAM

SUMMARY OF SERVICES

ORGANIZATION: Integrated Prescription Management

ADDRESS: 7815 N. Palm Ave. Suite 400
Fresno, CA 93711

TELEPHONE: 858-774-2250

CONTACT PERSON: Rich Adams- President & COO

CONTRACT PERIOD: July 1, 2021 – June 30, 2024
with two (2) optional twelve (12) month renewals (FY 2024/25 and
FY 2025/26)

SUMMARY OF SERVICES

The Medication Payments for Indigent Individuals Program was designed to obtain pharmaceutical prescription drug services for medically indigent adults with severe mental illness (SMI) and children with severe emotional disturbance (SED) who receive mental health services from the County's Departments of Behavioral Health and Social Services. This program is designed to provide these indigent individuals with access to their prescriptions at pharmacies across Fresno County at a low cost to the County. This program is also designed to provide an efficient and effective method for the County to manage the prescription process.

CONTRACTOR SHALL BE RESPONSIBLE FOR THE FOLLOWING SERVICES:

I. Pharmaceutical Management

IPM shall contract with pharmacies throughout Fresno County to fill pharmaceutical prescriptions at a discounted rate for medically indigent adults and children receiving services from DBH and/or child welfare services from DSS. The majority of these prescriptions will be for psychotropic pharmaceuticals; however, prescriptions may also cover treatment of side effects related to using psychotropic medications as well as physical health related medications.

A. Retail Pharmacy Network

1. Maintain contractual relationships with pharmacies throughout Fresno County for the entire term of the contract. The retail pharmacies will fill prescriptions for all County locations. Prescriptions filled and dispensed at retail pharmacies may have various payor sources, such as County Paid, Medi-Cal, Medicare, private insurance, and PAP stock or manufacturer coupons.

2. Contracted pharmacies shall provide consultations for all new prescriptions as required by Federal and State rules and regulations.
 3. Have the ability to provide a County payment indicator called Uniform Method for Determining Ability to Pay (UMDAP) to the contracted pharmacy that identifies County as the primary payer for UMDAP eligible mental health clients.
 4. Have the ability to provide a Prescription Assistance Program indicator or flag to the contracted pharmacy for individuals denied access to prescriptions to be filled through the County's assistance programs.
 5. Contracted pharmacies shall accept prescriptions by all allowed methods in accordance to State and Federal rules and regulations.
 6. Network Coverage – IPM's retail pharmacy network shall maintain pharmacies within five miles of every zip code.
 7. Systems Interface – IPM shall maintain systems and processes to support eligibility determination, messaging, and communication with participating pharmacies.
 8. Retail Pharmacy Scripts – IPM shall maintain an editing and messaging process that will ensure that only qualifying prescriptions will be filled.
- B. Administration
1. Attend meetings with County on an as needed basis to discuss program specifications and trends.
 2. Maintain, update, and manage client eligibility when information is provided by DBH.
 3. Perform eligibility updates to client data with input from County.
 4. Update consumer eligibility files within a mutually agreed upon timeline after receiving updates from the County.
 5. Maintain history for each consumer available for immediate, direct access by the County during the term of the Agreement.
 6. Maintain all data records either on or off-line for a minimum of seven (7) years, in accordance to State and Federal rules and regulations.
 7. Provide an override process to allow the County the ability to fill non-formulary drugs, when needed.
 8. Administer the County's eligibility requirements: (a) client must be a County client; (b) each script must be prescribed from an authorized County provider; and (c) each drug must be on the County's formulary for DBH, if script is sent from DBH.
 9. Support a centralized, consolidated billing process that also provides line item detail for all drug expenditures for each Group, as defined by County. Invoicing must be detailed enough to determine each Group's spending by specific drug description, National Drug Code (NDC), consumer information, name, physician, Group ID and Plan ID (as defined by the County), Pharmacy, Rx number, if new or a refill, date filled, metric quantity, day's supply and billed amount.
 10. Comply fully with systems, processes, procedures, and policies with current Federal HIPAA Privacy and Security requirements as well as State confidentiality regulations for the collection, maintenance, use and transmission of protected

information. IPM will fully adhere to the most restrictive regulation for the protection of information.

C. Account Management and Customer Service

1. Identify an account manager who will be responsible for the overall contract responsibilities and will have administrative authority under this contract.
2. Maintain sufficient staff to resolve day-to-day problems and answer queries will be provided for customer service via a toll-free number for participating pharmacies and for County staff.
3. Prescription orders and arrangements for language/cultural assistance, (i.e., translations/interpretations) will be provided via written, fax, and/or telephone requests from staff, acting as agents of the assigned licensed physician. IPM's pharmacies shall provide prescriptions in accordance with State Board of Pharmacy Regulations.

D. Cost Audits

1. The County reserves the right to perform cost audits on invoices and make any adjustments required to correct errors. Corrections shall be made not more than sixty (60) days after notification to correct is received from County.

II. On-line Queries

- A. Provide the County the ability to query online claim data history for creating additional custom reports on an as needed basis.
- B. Provide the County the ability to query online of specific medication usage by client.
- C. Maintain the capability to provide monthly detailed prescription drug claims data to County.
- D. Ensure the output of any reporting system can be exported to Microsoft compatible software.
- E. Provide access to technical support staff who can respond to questions concerning the use of any proposed reporting system.

III. Medi-Cal

A. Medi-Cal Eligibility and Billing

1. Medically indigent individuals often become eligible for Medi-Cal. IPM's pharmacies shall be responsible for billing Medi-Cal when the client is Medi-Cal eligible. Medi-Cal eligibility may remain consistent or may fluctuate from month-to-month. On a monthly basis, County will notify IPM when an individual becomes eligible/ineligible for Medi-Cal. Medi-Cal eligibility can be determined retroactively and IPM's pharmacies shall be required to back-bill Medi-Cal and adjust invoices accordingly, up to 12 previous months.
2. IPM shall adjust invoicing every month when a client may become eligible for Medi-Cal retroactively or has Medi-Cal terminated and may become Medi-Cal eligible again.
3. If a patient becomes Medi-Cal eligible, IPM will support County staff by accommodating ad hoc requests or providing on-demand access to a report that

can be submitted to a pharmacy to back bill those claims to the appropriate payor source.

B. Treatment Authorization Request (TAR)

1. For clients who are Medi-Cal eligible, IPM's pharmacies shall assume responsibility for Treatment Authorization Request (TAR) submission of Medi-Cal covered drugs, non-covered medications, and situations involving over six (6) prescriptions per client. Since payment for Medi-Cal eligible clients will be denied by the County, reimbursement by the County for these charges will take place once IPM's pharmacy provides verification of the TAR denial from the State.
2. IPM shall ensure that DBH is only billed for prescriptions for medically indigent clients, Medi-Cal denied TAR/deferred TAR x 2 claims (with denials provided) and claims for individuals who have not met their monthly Medi-Cal Share of Cost (SOC).

C. Medi-Cal Coordination of Benefits

1. IPM and IPM's pharmacies shall maintain a process for coordination of payment obligations to ensure Medi-Cal pays for covered drugs dispensed to Medi-Cal eligible clients.

IV. Training

- A. IPM shall provide comprehensive training on all aspects of data reporting and system usage, including but not limited to specific software and querying of data for reports, to County staff.
- B. Training must be available to County staff at a minimum once a year for each term of the contract.
- C. Training will be at no cost to the County.
- D. IPM shall provide all training materials, in either hard copy or online in printable format. training materials shall be updated on an ongoing basis as technology and needs change throughout each term of the contract.
- E. IPM shall be responsible for all costs, including but not limited to travel and materials, associated with providing training to County staff.

V. Invoicing

- A. IPM and/or IPM's Pharmacies shall work to appropriately bill, including back-billing for prior invoices, all prescriptions that may be eligible under an alternate payer. The County will always be the payer of last resort.
- B. IPM will provide DBH with invoicing grouped by Group # and Plan ID # (cost center) or as directed and defined by the County for each program as each program has budget responsibility for the cost of drugs prescribed and dispensed to its clients. Each Department (DBH and DSS) are to receive an invoice from IPM that will include charges broken down by group and plan ID (cost center).
- C. Invoices shall be submitted monthly as both a paper claim and as a data download.

- D. Invoices shall be accurate and timely and contain all information requested by the County. IPM is to submit accurate monthly invoices that shall be received by County no later than the 10th day of the preceding month.
- E. IPM shall maintain history of all invoices, adjustments, and credits during the term of the agreement.
- F. Each line item on the invoice shall include the following information:
 - 1. Contract Number
 - 2. Group ID number, as defined by the County
 - 3. Plan ID Number, as defined by the County
 - 4. Client Name and Date of Birth
 - 5. Client DMH # (provided by the County)
 - 6. Prescribing Physician's Name
 - 7. Prescribed Drug, dosage, strength, NDC #, date dispensed
 - 8. The number of units dispensed for each drug/dosage.
 - 9. The contract cost per unit for each drug/dosage.
 - 10. Contracted price for each drug dispensed.
 - 11. AWP at the time of sale
 - 12. Discounts
 - 13. Administrative Fee
 - 14. Dispensing Fee
- G. IPM's Pharmacies will be required to bill all payer sources, including retroactive Medi-Cal, as required, and credit the County to the appropriate original invoice. IPM recognizes and will ensure that the County is the payor of last resort.
- H. IPM shall have the ability to provide invoice adjustments or credit memos on a separate invoice from the current monthly invoice that will reference the original invoice.
- I. IPM shall provide a current invoice and a secondary invoice detailing past invoices with line items outstanding due to a client having become Medi-Cal eligible, etc. IPM shall appoint their Accounts Receivable representative to work with County staff to resolve payment issues both on the current and the secondary invoice on an ongoing monthly basis. IPM will credit the County of that claim once the dispensing network pharmacy reverses and rebills to the appropriate payor source.
- J. County reviews all invoices for accuracy. Payments to IPM for inaccurate invoices may be delayed or suspended until IPM submits a correct invoice. County shall make payment to IPM upon verification of the accuracy of the invoice.
- K. County shall not pay dispensing or administrative fees when a claim is denied by the County due to other payer source eligibility.
- L. Invoice Reconciliation – IPM' Account Manager will work with individual DBH Group representatives to resolve aged receivables balances on a monthly basis. This will include issues related to Medi-Cal or any other billing/payment concerns or aged receivables.
- M. IPM's Account Manager will work with individual DBH Group representatives to resolve aged receivables balances on a monthly basis. This will include issues related to Medi-Cal or any other billing/payment concerns or aged receivables.

VI. Patient Assistance Program (PAP)

- A. IPM and/or IPM's Pharmacies may be requested to provide storage and re-packaging of available medication acquired through drug manufacturer's Patient Assistance Program (PAP), as directed by the County.
- B. At this time, clients thought to be eligible for a PAP are interviewed by DBH staff for eligibility criteria established by the various Drug Manufacturers. A client's application is sent to the Manufacturer and if/when approved, a client's medications are shipped directly to DBH. In turn, DBH nurses dispense the medications to the client in accordance with all State approved guidelines.

VII. Technical Requirements

- A. IPM shall ensure proposed software products are available to DBH twenty-four hours per day, 365 days per year, via a Web browser interface.
- B. IPM's Pharmacies shall have software that is "SureScripts" certified. In addition, IPM's Pharmacies shall be certified to receive new prescriptions and able to send electronic refill requests (specifically electronic, not by fax) via the Pharmacy Health Information Exchange, operated by SureScripts.

VIII. Utilization Management

- A. IPM will conduct Concurrent Drug Utilization Review (DUR) and Retrospective Drug Utilization Review (RDUR). IPM shall have ability to provide reports that will allow the County to review its drug usage data (prescriber, patient, drug, dosage, date of dispense).
- B. IPM shall be required to administer a mandatory generic substitution whenever possible for the drugs covered under the Fresno County mental health drug program.
- C. IPM shall maintain Prior Authorizations (PA) program capabilities and provide ad-hoc reports that are not standard pre-formatted.

IX. Client Eligibility

- A. County can provide a monthly recurring eligibility feed that includes all of Fresno County to IPM, who will accept data in any format provided by County.
- B. County updates its eligibility on a continuous basis. IPM will accept daily/nightly batch downloads of eligibility changes as needed.
- C. IPM will provide web-based online access to their claims adjudication systems for such functions as eligibility updates and reporting requirements to allow County staff to make real-time immediate online eligibility updates for its clients.
- D. In addition to receiving eligibility through an eligibility file, IPM will provide online access to the County to update member eligibility.
- E. IPM will utilize a process for reconciling eligibility discrepancies between IPM's system and the County's.

- F. IPM will utilize the most current eligibility file provided by the County and provide the appropriate messaging to the networked pharmacies.
- G. County will authorize every new prescription each time a script is given, as each County authorization will only be one prescription with a maximum of two subsequent refills. IPM and IPM's Pharmacies shall terminate member eligibility every time a prescription and any accompanying refill(s) have been filled.

X. Customer Service

- A. IPM will direct participating members' questions, issues, or problems concerning the provision of services to clients to County's staff.

XI. Account Management

- A. IPM will provide and conduct a continuous monitoring system with the specific goal of improving the quality of services and care provided. Medication error and omission shall be monitored and reported quarterly.
- B. IPM shall host a monthly meeting to discuss program updates, issues, and concerns. IPM will work with the County in resolving issues identified via this forum, or other sources. These monthly forums will be changed to quarterly forums after any initial operational issues are identified and resolved.

XII. Reporting

- A. IPM will provide the County staff with access to customized behavioral health reports.
- B. IPM will provide the County with access to data that facilitates their ability to access important information on demand. IPM shall provide custom analyses and ad hoc reporting upon request to accommodate internal and external reporting needs.
- C. IPM will be assign a dedicated account executive and account manager to provide technical support to the County.
- D. IPM will support reporting at the Group and Plan ID (cost center) levels as defined by the County as well as consolidated reporting for all of County's clients. These reports will be accessed by County's designee(s).

XIII. Deliveries

- A. Deliveries of medications will only be required for medications requiring special handling (e.g. injections). IPM will coordinate delivery service with applicable networked pharmacy(ies).

XIV. Other Requirements

- A. Prescriptions are to be filled for a thirty (30) day supply, unless otherwise indicated.

- B. Prescriptions shall be prepared in the same manner as that used for the general public, using a bubble pack card whenever possible. IPM will coordinate requested packaging services with networked pharmacy(ies).
- C. Generic substitutions in prescriptions are required unless specified otherwise by a licensed physician or if the substituted generic drug is not available
- D. IPM shall encourage it's Pharmacies to utilize the lowest cost generic and brand name meds. IPM will apply maximum allowable cost (MAC) to most generic drugs (where applicable), regardless of the pharmacy choice.
- E. The County may also use the pharmaceutical services for individuals being served by contracted agencies.
- F. Prescription fills are to be available after hours (i.e. after 5:00pm on Monday-Friday and all day on weekends) at applicable Pharmacies

COUNTY'S RESPONSIBILITIES

DBH will provide the following information:

- A. Update client eligibility, as mutually agreed upon.
- B. County formularies.
- C. Notification of reports needed for County Departments.
- D. Indicators on eligibility files (e.g., Medi-Cal or other files defined by the County), when available.
- E. Point of contact from both DBH and DSS for whom all vendor communications may be addressed.
- F. Current list of County's prescribing physicians.

DSS will provide the following information:

- A. Appropriate information for pharmacies to fill required prescriptions for children.
- B. Written protocol for making prescription fill requests.

PERFORMANCE MEASURES/PROGRAM OUTCOMES

IPM shall provide all project monitoring and compliance protocols, procedures, data collection methods, and reporting requirements requested by the COUNTY. IPM will address each of the categories referenced below and may additionally propose other performance and outcome measures that are deemed best to evaluate the services provided and/or to evaluate overall program performance.

IPM understands that the COUNTY may adjust the performance and outcome measures periodically throughout the duration of this Agreement, as needed, to best measure the program. IPM will utilize a computerized tracking system with which performance and outcome measures and other relevant data, such as demographics, will be maintained.

- A. Cost Containment:

- a. IPM shall provide the lowest possible pricing using whichever sources and/or methods necessary to provide appropriate medication for the medically indigent individuals served by DBH and DSS who lack any third-party insurance or Medi-Cal.
 - b. SIPM's Pharmacies will be directed to utilize the lowest cost generic medications approved by the Federal Food and Drug Administration (FDA). Brand names are to be used only when generic medications are not available.
 - c. IPM shall maintain a drug utilization review and notification program for DBH prescribing physicians to ensure prescribed medication is appropriate in dosage, frequency, and compatibility with other medications (e.g., drug-to-drug interaction audits).
 - d. IPM shall advise County when less expensive medication plans become a more viable form of treatment.
- B. Information Management/Reporting:
- a. IPM shall provide monthly reports and online access to DBH and DSS and information pertaining to costs, usage, clients, providers, rebates from pharmaceutical companies, and medication dispensed.
 - b. IPM shall maintain a centralized medication profile for all individuals served with a history of all prescriptions filled, prescribing doctors, payment method, pharmacy where medications were picked up, and client demographics.
 - c. IPM shall create and maintain a file for DBH and client database by utilizing either a point-of-sale system or by monthly uploading of client eligibility, and downloading of the invoice claims.
 - d. The following are examples of desired information to be provided by IPM on a monthly basis to the DBH:
 - i. Total prescription costs/credits per program or clinic designated by the County, with cost center numbers
 - ii. Usage and prescribing patterns
 - iii. Report of specific medication usage by dosage by client, when requested by the County
 - iv. Number of unduplicated (unique) individuals using program services
 - v. All dispensed medications and dosages by physician
 - vi. Number of invalid claims filed and processed
 - vii. Number of complaints filed
 - viii. Cost data per client
 - ix. Cost per group and cost center
 - x. Customized management reports, as requested by the County
 - xi. Monthly financial utilization reports, applicable to DBH needs
 - xii. Any incidents involving medication which could adversely affect a client and the messaging directed to IPM's Pharmacies that were sent.
- C. Client Access:
- a. IPM shall contract as many Pharmacies as feasible for medication availability for outpatient clients treated throughout Fresno County.
- D. Legal and Regulatory Requirements:

- a. Pharmacies will be contractually required to provide products and services that meet the quality and packaging standards, and all other requirements of the California State Board of Pharmacy. In addition, IPM and IPM's Pharmacies shall maintain all licenses and certificates required by any local, State or Federal rules and regulations.

VENDOR DEFINITIONS

Unless otherwise defined in the Agreement to which this Exhibit A is attached, the following terms shall have the meanings ascribed below.

1.1 "Average Wholesale Price" or "AWP" means the benchmark price established by MediSpan, or another national reporting service of pharmaceutical prices as selected by IPM for all clients, based on the 11-digit NDC of the package size of the prescription drug actually dispensed by a Pharmacy.

1.2 "Brand Drug" will mean a prescription drug designated by Medi-Span indicators as "M" (co-branded product), "N" (single-source brand) or "O" (originator). IPM may preserve the generic status of a product and override the M, N, or O indicators and deem the drug to be a Generic Drug through review of additional information such as: (a) Multisource code; (b) FDA Application Data (NDA/ANDA); (c) Medispan Brand Name Code; (d) Medispan Labeler Code; (e) Medispan FDA Reference Listed (Orange Book) and (f) price, and may alter the classification so as to classify the drug as a Generic Drug based on the above criteria.

1.3 "Claims" means those claims for Covered Drugs processed through IPM's claims adjudication system or otherwise transmitted or processed in accordance with the terms of the Agreement and the Plan Specifications.

1.4 "Covered Drugs" means the pharmaceutical products and services which are reimbursable under the terms of COUNTY's Plan Specifications.

1.5 "Generic Drug" means, a prescription drug designated by Medi-Span indicators as "Y" (generic).

1.6 "MAC" means the maximum allowable price per unit, charged for a prescription drug product generally available from multiple manufacturers. The MAC list is subject to review and modification to reflect changes in market conditions due to the number of manufacturers, availability, utilization and pricing volatility.

1.7 "Plan Specifications" means the coverage terms and conditions of the COUNTY's pharmacy benefit containing all information regarding Copayments days' supply limitations and other COUNTY coverage details.

FRESNO COUNTY DEPARTMENT OF BEHAVIORAL HEALTH

**PROGRAM LOCATIONS WHERE
MEDICATION DELIVERIES MAY BE REQUIRED**

***In the event that one of these facilities is relocated or a new facility is added, this exhibit will be updated to reflect the new location name and address of the facility.**

OUTPATIENT METRO SERVICES
4441 E. Kings Canyon Road
Fresno, CA. 93702

CHILDREN'S OUTPATIENT SERVICES
3133 N. Millbrook Ave.
Fresno, CA 93703

MANAGED CARE
1925 E. Dakota Ave Suite G
Fresno, CA 93726

COST PROPOSAL

Vendor Name: Integrated Prescription Management (IPM)

Vendors are to complete all cost proposal pages and return with your proposal. Costs must be firm for the first three (3) years of a contract. Please use additional sheets for years four (4) and five (5) and clearly identify the year. A complete five (5) year budget is required.

Contracted pharmacy shall bill based on the published (Medical Economics, Drug Topics, Red Book) Average Wholesale Price (AWP) minus a percentage. Any additional costs such as minimum per prescription, dispensing fees, and administrative fees should be included. Prices should not be based on acquisition costs. Identify all cost components of total charges.

The County is interested in receiving medication for County clients at the most economical rate.

Costs for pharmaceuticals and the cost of any services such as developing any Information System and subsequent reporting must be provided separately.

List the cost separately for the disposition of all expired or damaged medications if the vendor can provide such services.

The maximum amount to be paid by the County under this RFP shall not exceed \$60,000, annually.

AWP Publication Name: Medi-Span

Explain advantages of using this reference book as opposed to other publications:

Medi-Span is the most widely used and accepted source for AWP pricing in the industry.

Percentage discount for medication off the AWP cost: **(Years 1-3)**

Brand Name	<u>AWP – 17.00%</u>
Generic	<u>AWP – 78.00%</u>
Minimum cost per prescription	<u>\$None</u>
Administrative cost/management fee	<u>\$0.00</u>
Dispensing fees	<u>\$2.00</u>
Disposal fee for expired meds	<u>\$N/A as instructed</u>
STAT charges, if any	<u>\$N/A as instructed</u>
Other (explain what services are included in "Other" and the charges/costs associated with services).	<u>\$</u>

AWP discount amounts set forth above and in Exhibit D represent aggregate effective rates and are measured on an annual basis on each anniversary. Individual prescription claims may vary above or below the AWP discount.

COST PROPOSAL

Vendor Name: Integrated Prescription Management (IPM)

Vendors are to complete all cost proposal pages and return with your proposal. Costs must be firm for the first three (3) years of a contract. Please use additional sheets for years four (4) and five (5) and clearly identify the year. A complete five (5) year budget is required.

Contracted pharmacy shall bill based on the published (Medical Economics, Drug Topics, Red Book) Average Wholesale Price (AWP) minus a percentage. Any additional costs such as minimum per prescription, dispensing fees, and administrative fees should be included. Prices should not be based on acquisition costs. Identify all cost components of total charges.

The County is interested in receiving medication for County clients at the most economical rate.

Costs for pharmaceuticals and the cost of any services such as developing any Information System and subsequent reporting must be provided separately.

List the cost separately for the disposition of all expired or damaged medications if the vendor can provide such services.

The maximum amount to be paid by the County under this RFP shall not exceed \$60,000, annually.

AWP Publication Name: Medi-Span

Explain advantages of using this reference book as opposed to other publications:

Medi-Span is the most widely used and accepted source for AWP pricing in the industry.

Percentage discount for medication off the AWP cost: **(Year 4)**

Brand Name	<u>AWP – 17.10%</u>
Generic	<u>AWP – 78.50%</u>
Minimum cost per prescription	<u>\$None</u>
Administrative cost/management fee	<u>\$0.00</u>
Dispensing fees	<u>\$2.00</u>
Disposal fee for expired meds	<u>\$N/A as instructed</u>
STAT charges, if any	<u>\$N/A as instructed</u>
Other (explain what services are included in “Other” and the charges/costs associated with services).	<u>\$</u>

AWP discount amounts set forth above and in Exhibit D represent aggregate effective rates and are measured on an annual basis on each anniversary. Individual prescription claims may vary above or below the AWP discount.

COST PROPOSAL

Vendor Name: Integrated Prescription Management (IPM)

Vendors are to complete all cost proposal pages and return with your proposal. Costs must be firm for the first three (3) years of a contract. Please use additional sheets for years four (4) and five (5) and clearly identify the year. A complete five (5) year budget is required.

Contracted pharmacy shall bill based on the published (Medical Economics, Drug Topics, Red Book) Average Wholesale Price (AWP) minus a percentage. Any additional costs such as minimum per prescription, dispensing fees, and administrative fees should be included. Prices should not be based on acquisition costs. Identify all cost components of total charges.

The County is interested in receiving medication for County clients at the most economical rate.

Costs for pharmaceuticals and the cost of any services such as developing any Information System and subsequent reporting must be provided separately.

List the cost separately for the disposition of all expired or damaged medications if the vendor can provide such services.

The maximum amount to be paid by the County under this RFP shall not exceed \$60,000, annually.

AWP Publication Name: Medi-Span

Explain advantages of using this reference book as opposed to other publications:

Medi-Span is the most widely used and accepted source for AWP pricing in the industry.

Percentage discount for medication off the AWP cost: **(Year 5)**

Brand Name	<u>AWP – 17.20%</u>
Generic	<u>AWP – 79.00%</u>
Minimum cost per prescription	<u>\$None</u>
Administrative cost/management fee	<u>\$0.00</u>
Dispensing fees	<u>\$2.00</u>
Disposal fee for expired meds	<u>\$N/A as instructed</u>
STAT charges, if any	<u>\$N/A as instructed</u>
Other (explain what services are included in “Other” and the charges/costs associated with services).	<u>\$</u>

AWP discount amounts set forth above and in Exhibit D represent aggregate effective rates and are measured on an annual basis on each anniversary. Individual prescription claims may vary above or below the AWP discount.

STATE MENTAL HEALTH REQUIREMENTS

1. CONTROL REQUIREMENTS

The COUNTY and its subcontractors shall provide services in accordance with all applicable Federal and State statutes and regulations.

2. PROFESSIONAL LICENSURE

All (professional level) persons employed by the COUNTY Mental Health Program (directly or through contract) providing Short-Doyle/Medi-Cal services have met applicable professional licensure requirements pursuant to Business and Professions and Welfare and Institutions Codes.

3. CONFIDENTIALITY

CONTRACTOR shall conform to and COUNTY shall monitor compliance with all State of California and Federal statutes and regulations regarding confidentiality, including but not limited to confidentiality of information requirements at 42, Code of Federal Regulations sections 2.1 *et seq*; California Welfare and Institutions Code, sections 14100.2, 11977, 11812, 5328; Division 10.5 and 10.6 of the California Health and Safety Code; Title 22, California Code of Regulations, section 51009; and Division 1, Part 2.6, Chapters 1-7 of the California Civil Code.

4. NON-DISCRIMINATION

A. Eligibility for Services

CONTRACTOR shall prepare and make available to COUNTY and to the public all eligibility requirements to participate in the program plan set forth in the Agreement. No person shall, because of ethnic group identification, age, gender, color, disability, medical condition, national origin, race, ancestry, marital status, religion, religious creed, political belief or sexual preference be excluded from participation, be denied benefits of, or be subject to discrimination under any program or activity receiving Federal or State of California assistance.

B. Employment Opportunity

CONTRACTOR shall comply with COUNTY policy, and the Equal Employment Opportunity Commission guidelines, which forbids discrimination against any person on the grounds of race, color, national origin, sex, religion, age, disability status, or sexual preference in employment practices. Such practices include retirement, recruitment advertising, hiring, layoff, termination, upgrading, demotion, transfer,

rates of pay or other forms of compensation, use of facilities, and other terms and conditions of employment.

C. Suspension of Compensation

If an allegation of discrimination occurs, COUNTY may withhold all further funds, until CONTRACTOR can show clear and convincing evidence to the satisfaction of COUNTY that funds provided under this Agreement were not used in connection with the alleged discrimination.

D. Nepotism

Except by consent of COUNTY's Department of Behavioral Health Director, or designee, no person shall be employed by CONTRACTOR who is related by blood or marriage to, or who is a member of the Board of Directors or an officer of CONTRACTOR.

5. **PATIENTS' RIGHTS**

CONTRACTOR shall comply with applicable laws and regulations, including but not limited to, laws, regulations, and State policies relating to patients' rights

SELF-DEALING TRANSACTION DISCLOSURE FORM

In order to conduct business with the County of Fresno (hereinafter referred to as “County”), members of a contractor’s board of directors (hereinafter referred to as “County Contractor”), must disclose any self-dealing transactions that they are a party to while providing goods, performing services, or both for the County. A self-dealing transaction is defined below:

“A self-dealing transaction means a transaction to which the corporation is a party and in which one or more of its directors has a material financial interest”

The definition above will be utilized for purposes of completing this disclosure form.

INSTRUCTIONS

- (1) Enter board member’s name, job title (if applicable), and date this disclosure is being made.
- (2) Enter the board member’s company/agency name and address.
- (3) Describe in detail the nature of the self-dealing transaction that is being disclosed to the County. At a minimum, include a description of the following:
 - a. The name of the agency/company with which the corporation has the transaction; and
 - b. The nature of the material financial interest in the Corporation’s transaction that the board member has.
- (4) Describe in detail why the self-dealing transaction is appropriate based on applicable provisions of the Corporations Code.
- (5) Form must be signed by the board member that is involved in the self-dealing transaction described in Sections (3) and (4).

(1) Company Board Member Information:			
Name:		Date:	
Job Title:			
(2) Company/Agency Name and Address:			
(3) Disclosure (Please describe the nature of the self-dealing transaction you are a party to)			
(4) Explain why this self-dealing transaction is consistent with the requirements of Corporations Code 5233 (a)			
(5) Authorized Signature			
Signature:		Date:	