



## PHARMACY BENEFIT MANAGEMENT SERVICES AGREEMENT

This Pharmacy Benefit Management Agreement (the "Agreement"), dated as of March 1, 2016 (the "Effective Date"), is made by and between Integrated Prescription Management, Inc., corporation organized and existing under the laws of the State of Delaware, ("IPM"), and Johnson County, Texas ("Client").

WHEREAS, Client desires to provide pharmacy benefits for the Covered Persons (as defined herein) of its health care plans (the "Plans"); and

WHEREAS, IPM is engaged in the business of providing pharmacy benefit management services and in connection therewith has established a network of retail and mail order pharmacies to deliver pharmacy services to individuals; and

WHEREAS, Client desires to have IPM exclusively manage the pharmacy benefits offered by Client under the Plans and IPM desires to provide such services.

NOW, THEREFORE, in consideration of the promises and covenants contained herein and intending to be legally bound by this Agreement, the parties agree as follows:

### 1. DEFINITIONS

- 1.1 "Administrative Fee" will mean a per paid Claim transaction fee charged by IPM for its administrative services.
- 1.2 "Average Wholesale Price" or "AWP" will mean the benchmark price established by MediSpan, or another nationally reporting service of pharmaceutical prices as selected by IPM, in its sole discretion, based on the 11-digit NDC of the prescription drug actually dispensed by a Network Pharmacy. AWP does not represent a true wholesale price, but rather is a fluctuating benchmark provided by third party sources.
- 1.3 "Brand Name Drug" will mean a prescription drug specified as a single-source drug or multi-source brand name drug as determined by IPM.
- 1.4 "Claims" will mean those claims processed through IPM's claims adjudication system or otherwise transmitted or processed in accordance with the terms of this Agreement and the Description of Coverage.
- 1.5 "Co-Payment" will mean the monetary amount (however expressed) that a Covered Person must pay a Network Pharmacy for Covered Pharmacy Services at the time the Covered Pharmacy Services are provided by a Network Pharmacy pursuant to the applicable Plan.
- 1.6 "Covered Persons" will mean all individuals designated by Client in an eligibility file provided to IPM who are eligible to receive Covered Pharmacy Services under Client's Plan until Client otherwise notifies IPM in writing.
- 1.7 "Covered Pharmacy Services" will mean the provision of pharmaceutical products and/or medical items, including without limitation prescription drugs, dispensed to Covered Persons pursuant to prescriptions written by physicians or other authorized prescribers, which are reimbursable under the terms of Client's Plan as set forth in the Description of Coverage.
- 1.8 "Description(s) of Coverage" will mean the written description or "Plan Design" provided by Client to IPM, including the processing parameters and other information concerning Client's Plan that IPM will use to process Claims under this Agreement.
- 1.9 "Generic Drug" will mean a multisource generic drug as determined by IPM using a combination of data fields.
- 1.10 "Law" will mean any federal, state, local, or other constitution, charter, act, statute, law, ordinance, code, rule, regulation, order, specified standards or objective criteria contained in any applicable permit or approval, or other legislative or administrative action of the United States of America, any state, Commonwealth, or any agency, department, authority, political subdivision, or other instrumentality thereof, or a decree or judgment or order of a court.
- 1.11 "Network or Network Pharmacy(ies)" will mean a pharmacy or group of pharmacies that agree to provide Covered Pharmacy Services to Covered Persons under an arrangement with IPM.
- 1.12 "Privacy Rule" will mean the Standards for Privacy of Individually Identifiable Health Information at 45 CFR part 160 and part 164, subparts A and E and any amendment thereto.
- 1.13 "Protected Health Information or PHI" has the same meaning as the term "protected health information" in 45 CFR 164.501, limited to the information created or received by IPM in its capacity as a pharmacy benefits manager, acting as a business associate of the Plan, and not as a health care provider.

### 2. RESPONSIBILITIES OF IPM

- 2.1 **In General** IPM will provide Client the Covered Pharmacy Services and the services set forth in this Section 2 that are selected by Client, the services described in Exhibit A that are selected by Client, and the services described in any

attachment, addendum or amendment hereto (collectively the "Services"). IPM may make changes to the Services from time to time and may use Claims information and other PHI to improve or recommend additional Services to Client, so long as such changes are consistent with applicable law and do not materially alter the provisions of this Agreement.

**2.2 Claims Processing** IPM will adjudicate Claims submitted by Network Pharmacies, based on the pharmacy benefit parameters as set forth in the Description of Coverage. IPM will accept direct Claims submitted by Covered Persons on properly completed standard claim forms together with proof of payment ("Direct Claims"). IPM will adjudicate properly submitted Direct Claims, based on the pharmacy benefit parameters as set forth in the Description of Coverage, and produce and mail: (i) checks for the agreed upon reimbursement amounts for Covered Persons for allowable Claims; or (ii) requests for information for Claims that are ineligible for payment.

**2.3 Network Pharmacies** Network Pharmacies will dispense Covered Pharmacy Services consistent with the terms of this Agreement and applicable Law. Additions or deletions to the Network shall be in IPM's sole discretion and IPM makes no warranty that any specific pharmacy or number of pharmacies will be in the Network at any time. IPM shall direct the Network Pharmacy to charge and collect the applicable Co-Payment and/or any deductible (or portion thereof) from Covered Persons for each Covered Pharmacy Service provided.

**2.4 DUR** IPM will provide automated concurrent drug utilization review (DUR) services for point-of-sale Claims. Client acknowledges that: (i) the DUR system is a highly automated system, without individual review in most circumstances, (ii) the DUR system is necessarily limited by the amount, accuracy, and completeness of data concerning Covered Persons provided by Client, (iii) the DUR program is intended as a supplement to, and not a substitute for, the knowledge, expertise, skill, and judgment of physicians, pharmacists, or other health care providers in providing patient care, (iv) that IPM will have no obligation to acquire information concerning any Covered Person beyond the information that is included in the eligibility or claims databases, and (v) that pharmacists are individually responsible for acting or not acting upon information generated and transmitted through the DUR services, and for performing services consistent with the scope of their licenses. In performing DUR services, IPM will not, and is not required by this Agreement, to deny Claims, or require prescriber, pharmacist, or patient compliance with any norm or suggested drug regimen, or in any way substitute IPM's judgment for the professional judgment or responsibility of the prescriber or pharmacist. The absence of an alert for a given drug or drug combination shall not be construed to indicate that the drug or drug combination is safe, appropriate, or effective for any Covered Person. Accordingly, IPM assumes no liability to Client, Plan, any Covered Person, or any other person in connection with the DUR services, including, without limitation, the failure of the DUR services to identify a prescription that results in injury to a Covered Person. IPM will have the DUR databases updated on a reasonable basis to reflect changes in available standards for pharmaceutical prescribing; however, no database will contain all available information or accepted medical practices or prescribing practices.

**2.5 Call Center Services** IPM, through its own and/or subcontracted call centers, will provide a toll-free telephone line for inquiries from Client, pharmacies, prescribers, Covered Persons, and prospective members regarding the services provided by IPM under this Agreement. Services to be provided via the toll-free number include answering questions regarding Claims, Covered Person eligibility, Plan Design and covered benefits, deductible status and required Co-Payments, Claims submission, Claims payment, instructions for completing a claim form, status of a submitted Direct Claim, and location of Network Pharmacies.

**2.6 Reporting** IPM will provide Client records and reports, including standard IPM reports as amended from time to time, relating to Covered Persons. Client may request additional reports, which may be provided upon the mutual written agreement of the parties.

### **3. RESPONSIBILITIES OF CLIENT**

**3.1 Benefit Design and Eligibility** Within a reasonable time prior to the implementation of the Services under this Agreement, Client shall furnish IPM the details of the benefit design and a complete listing of all Covered Persons, which must be complete and accurate and in a format and media approved by IPM. IPM and the Network Pharmacies are entitled to rely on the accuracy and completeness of this information.

**3.2 Benefit Design Changes** Client will immediately provide IPM written notice of any changes or updates in the benefit design. IPM will notify Client of (i) the proposed implementation date of such change or that such change cannot be implemented as requested, and (ii) any applicable additional fees due as a result of such change. Client will accept the change and applicable additional fees, if any, in writing prior to its implementation. Client will notify its Covered Persons of the change prior to its effective date at Client's expense. IPM will not be responsible for or otherwise be liable to Client, Plan, or Covered Persons for costs or other damages for failing to make benefit design changes not communicated to IPM in accordance with this paragraph.

- 3.3 Design Liability** Client is solely responsible for any liability arising in connection with Client's benefit design. IPM makes no representation or warranty that the benefit design selected by Client complies with the Law that applies to Client, and IPM has no responsibility to advise Client about its compliance with any applicable Law.
- 3.4 Eligibility Updates** Unless otherwise stated in the applicable plan specifications, during the term of this Agreement, and any extension thereof, at least ten (10) days before the beginning of each month, Client will provide IPM with a complete updated listing of all Covered Persons who are eligible for that month. Such listing will be provided in a format agreeable to IPM. The eligibility information will be updated as reasonably required by the Client. Client bears all risk of mistakes in eligibility determinations caused by inaccuracies in the information provided by Client to IPM, including payment of Claims adjudicated and verified as eligible which are later found to be not eligible.
- 3.5 Identification Cards** IPM will issue identification cards to Covered Persons that will include information necessary to provide the Network Pharmacy with a Covered Person's eligibility information to receive Covered Pharmacy Services.
- 3.6 Reports and Invoices** Client will review all reports and statements provided by IPM and will notify IPM in writing of any errors or objections within forty-five (45) days of receipt. Until Client notifies IPM of any errors or objections, IPM will be entitled to rely on the information contained in the report or statement. If Client does not so notify IPM within the forty-five (45) day period, the information contained therein will be deemed accurate, complete, and acceptable to Client.
- 3.7 Authorizations and Disclosures** Client has obtained, or will obtain, all Covered Person authorizations required by Law for IPM to perform the Services or any additional services provided under any addendum or amendment hereto. Client will disclose to Covered Persons any and all matters relating to the benefit design that are required by Law to be disclosed, including information relating to the calculation of Co-Payments, deductibles, or any other amounts that are payable by a Covered Person in connection with the benefit design, and rebates or other discounts.
- 3.8 Client's Authority Over Benefit Plan** Client acknowledges that it has the sole authority to control and administer its Plans. Client further acknowledges that IPM is engaged to perform the Services as an independent contractor and not as an employee or agent of Client. Nothing in this Agreement shall be construed or deemed to confer upon IPM any responsibility for or control over the terms or validity of the benefit plan. IPM shall have no final discretionary authority over or responsibility for the administration of the Plans. Further, IPM shall have no responsibility or liability for (i) any funding of Plan benefits; (ii) any insurance coverage relating to Client, the Plans, or the Covered Persons; or (iii) the nature or quality of professional health services rendered to Covered Persons.

#### **4. TERMINATION**

The term of this Agreement will commence on the Effective Date and will continue for thirty six (36) months, after which it will automatically renew for additional one-year periods unless otherwise terminated in accordance with the provisions of this Agreement. Either party may terminate this Agreement upon ninety (90) days prior written notice to the other party. If there is a material breach of any provision of this Agreement, and that breach remains uncured for thirty (30) days after the breaching party receives written notice of the breach, the non-breaching party may terminate this Agreement effective on the expiration of such thirty (30) day period. If such material breach cannot be cured in a thirty (30) day period, the non-breaching party may not terminate this Agreement if the breaching party has initiated a cure within such thirty (30) day period and uses its best efforts to complete the cure within a commercially reasonable period of time.

#### **5. COMPENSATION, BILLING, AND PAYMENT**

- 5.1** As compensation for the Services provided by IPM under this Agreement, Client will pay the fees specified in Exhibit A (the "Fees"). This Section 5.1 will survive the termination of the Agreement.
- 5.2** IPM will be responsible for payment to the Network Pharmacies for Covered Pharmacy Services solely to the extent it has received funds provided by Client for payment of such services. IPM shall not be required to render payments to Network Pharmacies or Covered Persons unless and until IPM has received payment for the Claims from Client. Client recognizes that it is essential to make timely payments to IPM, and that payment that is not timely may adversely affect the availability of Pharmacy Services. Notwithstanding the foregoing, in the event that IPM elects to pay Network Pharmacies and Covered Persons for Claims prior to its receipt of Claims payment from Client, such election shall not constitute a waiver of IPM's right to suspend performance or of Client's obligation to render payment to IPM either as to that payment or as to any other payment, nor shall such election serve to establish a course of dealing or a course of performance between IPM and Client. The amount that Client pays to IPM under this Section is not an asset of Client's prescription benefit, or any other health plan. This Section 5.2 will survive the termination of the Agreement.

- 5.3 After the initial term of the Agreement, IPM may change the Fees or other pricing under this Agreement. IPM will give Client sixty (60) days written notice of any such change, which will take effect on the first day of the month following the sixty-day notice period.
- 5.4 IPM will invoice Client for Fees and Covered Pharmacy Services semi-monthly. All invoices are due and payable by Client within thirty (30) days of receipt. Client agrees that where payment for Covered Pharmacy Services remains past due for more than thirty (30) days, IPM may require, and Client will pay as required, an advance security deposit of funds. Such security deposit will be used solely to reimburse Network Pharmacies for Covered Pharmacy Services.
- 5.5 If Client objects to any cost in an invoice, Client is still obligated to remit payment of all uncontested amounts to IPM within the agreed upon payment terms. Within twenty (20) business days of Client's receipt of the invoice, Client shall identify and fully explain the basis for any objections in writing to IPM. Client and IPM will then work together to determine the validity of the amounts to which Client has objected. Once resolved, any overpayments or underpayments will be reconciled through a charge or credit in a subsequent invoice.
- 5.6 IPM agrees that, except for Co-payments and deductibles, in no event will IPM or the Network Pharmacies, charge, collect, seek compensation, remuneration, or reimbursement from, or have any recourse against Covered Persons or persons acting on the Covered Person's behalf for Covered Pharmacy Services provided pursuant to this Agreement. IPM further agrees that (i) the provisions of this Section 5.7 shall survive the termination of this Agreement regardless of the cause of termination and will be construed in favor of Covered Persons, and (ii) this Section 5.7 shall supersede any oral or written contrary agreement now existing or hereafter entered between IPM and a Covered Person or person acting on the behalf of a Covered Person. The terms hereunder shall not apply to any deductibles, Co-Payments, or non-covered pharmacy services that are Covered Person's responsibilities as described in a Description of Coverage. This Section 5.6 will survive the termination of the Agreement.
- 5.7 Client understands that IPM's agreements with Network Pharmacies may allow Network Pharmacies to review payments made by IPM related to the Covered Pharmacy Services. Furthermore, if in accordance with IPM's agreement with a Network Pharmacy there was an underpayment for Covered Pharmacy Services to a Covered Person, such Network Pharmacy may seek reimbursement for such underpayment(s). Client agrees that, if a Network Pharmacy requests further payment for any Covered Pharmacy Service or other service provided to Client or a Covered Person, Client will remit to IPM an amount equal to such requested payment. This Section 5.7 will survive the termination of the Agreement.

6. **CONFIDENTIALITY**

- 6.1 Each party acknowledges that during the performance of its obligations hereunder, it has received or may receive confidential information from the other party. As used herein, "Confidential Information" includes, but is not limited to, proprietary business and technical information, patient and third party payor lists, statistical data, computer programs, pricing information, Network Pharmacy coverage information, trade secrets and innovations, and other information of similar nature obtained by either party. Confidential Information will not include information that is: (i) generally known to the public at the time of disclosure; (ii) rightfully received by either party from a third party not under obligation of confidentiality with respect to such information; or (iii) becomes publicly available through no act or omission of either party or its agents or employees. The parties agree that Johnson County is bound by the Texas Public Information Act, and will comply with that law upon receipt of any request.
- 6.2 Each party covenants and agrees that, without the prior written consent of the other party (which consent may be withheld for any reason or may be given subject to conditions and restrictions), neither it nor its directors, officers, employees or agents will reveal or use any Confidential Information in a manner or for a purpose that would be knowingly detrimental to the other party or its businesses or for purposes other than set forth herein.
- 6.3 Confidential Information may be disclosed pursuant to a bona fide subpoena if the party receiving the bona fide subpoena has given the other party timely written notice of receipt of the subpoena so that the other party can object or otherwise intervene as it deems proper.
- 6.4 All Confidential Information will remain the property of the disclosing party, and the receiving party will return or destroy all written or tangible materials, and all copies thereof, upon request of the disclosing party.
- 6.5 Client acknowledges that all of IPM's databases, as well as the software, hard-coding, and logic used to generate the compilations of information contained in IPM's adjudication system and in all other databases developed by IPM, its contractors, consultants, or its designees in connection with performing services, and the format of all reports, printouts,

and copies thereof, and any prior and future versions thereof by any name, are the property of IPM and are protected by copyright which shall be owned by IPM.

6.6 Each party acknowledges that damages alone will be an inadequate remedy for a breach or threatened breach of the provisions of Section 6 of this Agreement and that the party seeking enforcement thereof, in addition to all other remedies, will be entitled as matter of right to equitable relief, including injunctive relief or specific performance in any court of competent jurisdiction. The parties agree that notwithstanding anything in this Agreement to the contrary, nothing herein will require any party hereto to breach or violate any applicable confidentiality law, statute or regulation.

7. **COVERED INDIVIDUAL INFORMATION**

7.1 IPM may use, reproduce, or adapt Covered Person information in any manner it deems appropriate, including product research and development, except that each party and its agents, employees and contractors shall maintain the confidentiality of this information to the extent required by applicable Law, and may not use the information in any way prohibited by Law.

7.2 **Use and Disclosure of Protected Health Information** IPM may use or disclose PHI to Client, Network Pharmacies, Covered Persons' providers and Covered Persons in a manner consistent with the performance or improvement of its Services under this Agreement, or as permitted without authorization pursuant to the Privacy Rule. Additionally, IPM may use and disclose PHI to a third party if otherwise authorized by Client or a given Covered Person, or as permitted without authorization pursuant to the Privacy Rule. Except as provided in this Agreement, such uses and disclosures shall be limited to those that would not violate the Privacy Rule if done by Client. In addition, IPM may use and disclose PHI:

- i. for the proper management and administration of IPM or to carry out its legal responsibilities; provided that, in the case of any disclosures for this purpose, IPM obtains reasonable assurances from the person to whom the information is disclosed, that it will remain confidential and used or further disclosed only as required by Law or for the purpose for which it was disclosed to the person, and that the person will notify IPM of any instances of which it is aware in which the confidentiality of the information has been breached;
- ii. to provide Data Aggregation services to Client as permitted by 45 CFR 164.504(E)(2)(i)(B);
- iii. to de-identify the information in accordance with 45 CFR 164.514(b), which de-identified information may be used and disclosed by IPM as it deems appropriate;
- iv. pursuant to an individual authorization in accordance with 45 CFR 164.508;
- v. to report violations of Law to appropriate federal and state authorities, consistent with 45 CFR 164.502(j)(1);
- vi. to conduct DUR for another Covered Entity if each Covered Entity has or had a relationship with the Covered Person whose PHI is involved and the PHI relates to the relationship; and
- vii. as otherwise authorized in writing by Client.

8. **USE OF NAME**

Each party will have the right to use the name of the other party to inform existing or potential clients that IPM supplies Covered Pharmacy Services to Client. IPM will have the right to use Client's current logo and information on a client list and on its web site. Neither IPM nor Client will otherwise use the other party's name, symbols, trademark, or service marks without the prior written consent of the other party and both parties will cease any such use upon termination of this Agreement. Notwithstanding the above, IPM agrees Client may use the name, address, phone numbers and descriptions of the Network Pharmacies in Client's directories.

9. **INSURANCE AND INDEMNIFICATION**

9.1 **Required Insurance** IPM agrees to maintain general liability coverage with a limit of at least one million dollars (\$1,000,000.00) per occurrence.

9.2 **Certificate of Insurance** IPM will provide Client with a valid Certificate of Insurance, upon request, confirming the coverage set forth in Section 9.1. Client agrees to provide IPM with a letter stating that it is self-insured and in compliance with Texas law with regard to errors and omissions coverage and directors and officers coverage. IPM agrees to provide Client with thirty (30) days written notice if there is any material change in its general liability coverage.

9.3 **Indemnification and Limitations on Liability** This Agreement is not a contract for the sale of goods. IPM will perform the Services under this Agreement in a good and workmanlike manner in accordance with the customs, practices, and standards of the prescription benefit management industry. EXCEPT AS WARRANTED IN THIS SECTION, IPM DISCLAIMS ALL EXPRESS AND ALL IMPLIED WARRANTIES OF ANY KIND, INCLUDING THE SUITABILITY FOR ANY PARTICULAR PURPOSE OF THE DATA GENERATED THROUGH IPM'S SYSTEM. IPM RELIES ON MEDISPAN OR COMPARABLE DATABASES IN PROVIDING CLIENT AND COVERED

PERSONS WITH DRUG UTILIZATION REVIEW SERVICES. IPM HAS UTILIZED DUE DILIGENCE IN COLLECTING AND REPORTING THE INFORMATION CONTAINED IN THE DATABASES AND HAS OBTAINED SUCH INFORMATION FROM SOURCES BELIEVED TO BE RELIABLE. IPM, HOWEVER, DOES NOT WARRANT THE ACCURACY OF REPORTS, ALERTS, CODES, PRICES, OR OTHER DATA CONTAINED IN THE DATABASES. IPM DOES NOT WARRANT THAT ITS SERVICES WILL BE UNINTERRUPTED OR ERROR FREE.

9.4 IPM does not direct or exercise any control over the professional judgment exercised by any pharmacist in dispensing prescriptions or otherwise providing pharmaceutical related services. Network Pharmacies are independent contractors, and IPM shall have no liability to Client, Plans, any Covered Person, or any other person or entity for any act or omission of any Network Pharmacy or its agents or employees.

9.5 Neither IPM nor Client will be liable to each other for indirect, incidental, consequential, punitive, special, or exemplary damages, arising out of or related to performance of this Agreement or a breach of this Agreement, even if advised of the possibility of IPM will not be liable for any claim which is asserted by Client more than ninety (90) days after Client is or reasonably should have been aware of such claim.

10. **EXCLUSIVE AGREEMENT**

IPM shall be Client's exclusive provider of pharmacy benefit management services and the Services, and Client may not contract with any other organization for any services relating to the subject matter of this Agreement during the term or extension thereof. This provision shall not prohibit IPM from entering into agreements with other potential clients, including competitors of Client, and other providers of pharmacy services, either directly or indirectly.

11. **GOVERNING LAW**

This Agreement will be governed and construed according to the internal laws of the State of Texas excluding its choice of law provisions and all claims relating to or arising out of this Agreement, or the breach thereof, whether sounding in contract, tort or otherwise shall likewise be governed by the laws of the State of Texas excluding its choice of law principles.

12. **NOTICES**

All notices, requests, demands and other communications provided for hereunder will be in writing and will be deemed duly given if (i) delivered in person; (ii) sent by Federal Express or other nationally recognized overnight delivery service, charges paid by the sender, or (iii) deposited in the United States mail, first class, registered or certified, any of which including return receipt requested, with proper postage prepaid as follows:

If to Client, to: County Judge Roger Harmon,  
2 N. Main St. Room 120  
Cleburne, Texas 76033

If to IPM, to: W. Troy Collins (President)  
7815 N. Palm Ave.  
Suite 400  
Fresno, CA 93711

Any party may change its address for such communications by giving notice to the other in conformity with this section.

13. **FURTHER ASSURANCES**

Each party agrees to cooperate fully with the other party and to execute such further instruments, documents, and agreements and to give such further written assurances, as may be requested by any other party, to better evidence and reflect the transactions described herein and contemplated hereby, and to effect the intents and purposes of this Agreement.

14. **SEVERABILITY**

In the event any term or provision of this Agreement is declared to be invalid or illegal for any reason, this Agreement will remain in full force and effect and will be interpreted as though such invalid or illegal provision were not a part of this Agreement. The remaining provisions will be construed to preserve the intent and purpose of this Agreement and the

parties will negotiate in good faith to preserve the intent and purpose of this Agreement and the parties will negotiate in good faith to modify any invalidated provisions to preserve each party's anticipated benefits.

15. **RELATIONSHIP OF THE PARTIES**

Nothing in this Agreement will be construed to create an employer-employee, joint venture, partner, agent, or any other relationship between IPM and Client except that of independent contractors.

16. **EXECUTION IN COUNTERPARTS**

This Agreement may be executed simultaneously in two or more counterparts, each of which will be deemed an original agreement, but all of which together will constitute the same instrument.

17. **AMENDMENTS AND MODIFICATIONS**

Except as otherwise set forth herein, this Agreement may be amended, modified, or supplemented only by mutual consent set forth in writing duly signed by the parties hereto.

18. **COMPLIANCE WITH LAW; CHANGE IN LAW**

18.1 Each party is responsible for ensuring its compliance with any Laws applicable to its business, including any necessary licenses and permits. If Client is subject to the provisions of the Employee Retirement Income Security Act ("ERISA"), Client will ensure that all of its activities comply with ERISA. No party shall make payments or perform services under this Agreement that would be prohibited by Law. This Agreement shall not be construed to induce or encourage the referral of patients, and no payment made pursuant to this Agreement or any other agreement between Client and IPM shall be construed to induce the purchase, lease, order or arrangement for the furnishing of healthcare products or services.

18.2 The parties will attempt to equitably adjust the terms of this Agreement, which may include a pricing adjustment, to take into account any Change in Law or any change in drug industry practice that materially alters the rights or obligations of either party under this Agreement (for example, if a Change in Law causes IPM's performance of its duties under this Agreement to become materially more burdensome or expensive). If the parties are unable to agree upon an equitable adjustment within sixty (60) days after either party notifies the other of such a Change in Law or material change in drug industry practice, then this Agreement will automatically terminate. For purposes of this provision, a "Change in Law" means any (i) change in or adoption of any law, (ii) change in the judicial or administrative interpretation of any Law, or (iii) change in the enforcement of any Law, occurring after the Effective Date.

19. **ASSIGNMENT**

No party may assign its rights or obligations under this Agreement to a third party without the prior written consent of the other party which shall not be unreasonably withheld. Assignment of the Agreement to a wholly-owned or controlled subsidiary of IPM or a successor entity under common control in management with IPM does not constitute assignment to a third party.

20. **THIRD PARTY BENEFICIARY**

This Agreement is not intended to create, nor will it be deemed to create, any third party beneficiary rights including, without limitation, in Covered Persons, whose rights are determined solely by the terms of the Description of Coverage.

21. **ENTIRE AGREEMENT**

This Agreement is the entire agreement among the parties with respect to the matters covered hereby and will supersede all previous written, oral or implied understandings among them with respect to such matters.

22. **FORCE MAJEURE**

If either party is prevented from carrying out its obligations under this Agreement, except for payment obligations, by acts of war, civil unrest, riots, fire, labor actions, earthquakes or other acts of nature, by any cause that is beyond the reasonable control of either party, by an adverse judgment of a court of appropriate jurisdiction or an adverse arbitration decision, or by any act of a Federal, state or local political or regulatory body or agency thereof (each a "Force Majeure Event"), then such party will be relieved of its obligations under this Agreement. If either party is unable to perform for sixty (60) days from the date of the Force Majeure Event, then that party may terminate this Agreement, except as mutually agreed upon by the parties.

23. TAXES

In the event that Client, the Plans, or any obligations under this Agreement, including without limitation the payment of rebate amounts, are subject to any form of governmental or regulatory charges, including any premium taxes, insolvency fees, guarantee fund fees, sales taxes, or any similar charges (excluding taxes based on the net income of IPM), such charges will be the sole responsibility of Client. All such charges will be included in the monthly invoice to Client. Client will defend, indemnify and hold harmless IPM from the payment of such charges.

24. WAIVERS

The waiver by either party of one or more defaults on the part of the other party in the performance of any obligations under this Agreement will not be construed to operate as a waiver of any subsequent defaults.

INTENDING TO BE LEGALLY BOUND, the parties have duly executed this agreement as of the Effective Date.

IPM, Inc.

By: W. Troy Collins

3-2-2016  
Date

W. Troy Collins, President & CEO  
Office or Title

Client

By: Roger Harmon

3-2-2016  
Date

Judge Roger Harmon, Johnson County Judge  
Office or Title





**JOHNSON COUNTY CONTRACT TERMS ADDENDUM TO  
INTEGRATED PRESCRIPTION MANAGEMENT  
PHARMACY BENEFIT MANAGEMENT SERVICES AGREEMENT**

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This Johnson County Contract Terms Addendum to Integrated Prescription Management ("IPM") Pharmacy Benefit Management Services Agreement, (hereinafter referred to as the "ADDENDUM") is between **Johnson County, Texas**, a political subdivision of the State of Texas, (hereinafter referred to as "COUNTY"), and Integrated Prescription Management (hereinafter referred to as "SERVICE PROVIDER"), collectively referred to as the "PARTIES", and is an addendum to the Integrated Prescription Management Pharmacy Benefit Management Services Agreement and together the Integrated Prescription Management Pharmacy Benefit Management Services Agreement and this Addendum shall constitute the entire and complete contract, (hereinafter referred to as the "AGREEMENT"), between the Parties.

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, the Parties agree as follows:

1. The Parties agree and understand that this Addendum is to clarify, limit, modify or delete terms and provisions of the Integrated Prescription Management Pharmacy Benefit Management Services Agreement and in the event of any conflict between the terms and provisions of this Addendum and the terms and provisions of those contractual provisions tendered to Johnson County in the Integrated Prescription Management Pharmacy Benefit Management Services Agreement, this Addendum shall control and amend the contractual provisions of the Integrated Prescription Management Pharmacy Benefit Management Services Agreement and any provisions in the Integrated Prescription Management Pharmacy Benefit Management Services Agreement to the contrary are hereby deleted.
2. This Agreement will be governed by and construed according to the laws of the State of Texas. Venue for any action or claim arising out of the Agreement will be in the state district courts in Johnson County, Texas or the federal district courts in Dallas County, Texas. Any provision stating that County agrees to waive any right to trial by jury is hereby deleted.
3. Limitations for the right to bring an action, regardless of form, shall be governed by the laws of the State of Texas, Texas Civil Practice and Remedies Code §16.070, as amended, and any provision to the contrary is hereby deleted.
4. Under Texas law, a contract with a governmental entity that contains a claim against future revenues is void; therefore, any term which provides for such a claim is hereby deleted.
5. The Parties agree that under the Texas Constitution and laws of the State of Texas, Johnson County cannot enter into an agreement whereby Johnson County agrees to indemnify or hold

harmless any other party; therefore, all references of any kind to Johnson County indemnifying and holding harmless any individuals or entities for any reason whatsoever are hereby deleted.

6. The Parties agree and understand that County is a political subdivision of the State of Texas, and therefore has certain governmental/sovereign immunity and limitations on liability, and that County's general liability and vehicle insurance coverage is with the Texas Association of Counties Risk Pool and said insurance coverage is limited to the statutory maximum limits of the Texas Tort Claims Act (Chapter 101, Texas Civil Practice and Remedies Code); therefore, any provisions requiring County to provide and maintain any insurance in excess of the statutory maximum limits are hereby deleted.

7. The Parties agree and understand that County does not waive any of its common law, statutory or constitutional defenses to which it may be entitled; therefore any provisions to the contrary are hereby deleted.

8. The Parties agree and understand that County will provide statutory workers compensation for its employees; however, County does not agree to include a waiver of subrogation, and therefore any provisions to the contrary are hereby deleted.

9. The Parties agree and understand that County does not agree to waive any rights and remedies available to County under the Texas Deceptive Trade Practices-Consumer Protection Act; therefore, any provisions to the contrary are hereby deleted.

10. Pursuant to Texas Government Code Section 2251.021 and this Agreement, a payment by a governmental entity under a contract is overdue on the 31<sup>st</sup> day after the later of:

- a. the date the governmental entity receives the goods under the contract;
- b. the date the performance of the service under the contract is completed; or
- c. the date the governmental entity receives an invoice for the goods or service.

Pursuant to Texas Government Code Section 2251.021 and this Agreement, a payment begins to accrue interest on the date the payment becomes overdue. The rate of interest that accrues on an overdue payment is the rate in effect on September 1 of the fiscal year in which the payment becomes overdue. The rate in effect on September 1 is equal to the sum of: (1) one percent; and (2) the prime rate as published in the Wall Street Journal on the first day of July of the preceding fiscal year that does not fall on a Saturday or Sunday. Interest on an overdue payment stops accruing on the date the governmental entity or vendor mailed or electronically transmits the payment. Therefore, all provisions to the contrary are hereby deleted.

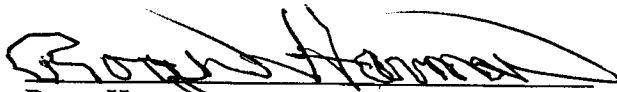
11. To the extent, if any, that any provision in this Agreement is in conflict with Chapter 552 of the Texas Government Code (the "Public Information Act"), the same shall be of no force and effect. Furthermore, it is expressly understood and agreed that Johnson County, its officers and employees may request advice, decisions and opinions of the Attorney General of the State of Texas in regard to the application of the Public Information Act.

12. Services provided under the Agreement shall be provided in accordance with all applicable state and federal laws.

13. IN WITNESS WHEREOF, intending to be legally bound, the Parties have caused their authorized representative to execute this Agreement. Each representative whose signature appears on this Agreement represents and does hereby certify that they have the authority to enter into this Agreement for their represented Party.

APPROVED AS TO FORM AND CONTENT:

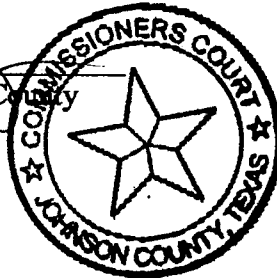
JOHNSON COUNTY:

  
\_\_\_\_\_  
Roger Harmon  
County Judge

3-14-16  
Date

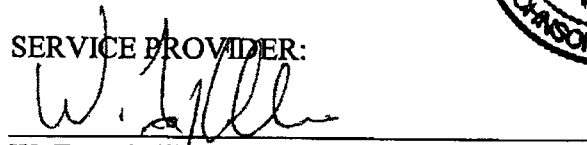
Attest:

  
\_\_\_\_\_  
Becky Ivey, County Clerk, Johnson County



3-14-16  
Date

SERVICE PROVIDER:

  
\_\_\_\_\_  
W. Troy Collins  
President and CEO

3-2-2016  
Date