



## PHARMACY AGREEMENT

**THIS PHARMACY AGREEMENT (“Agreement”)** is made effective as of January 1, 2022 (“**Effective Date**”) and entered into by and between **Premise Health Employer Solutions, LLC**, a Delaware limited liability company, directly and on behalf of its subsidiaries and applicable affiliates (collectively “**Premise Health**”) and **Deschutes County**, for and on behalf of its health and welfare benefit plan, to the extent applicable (“**Client**”). **Premise Health** and **Client** are each a “**Party**” and together the “**Parties**.”

### RECITALS

**WHEREAS**, **Premise Health** assists employers by establishing, operating, and managing, directly or through a Pharmacy Operator (as defined in Section 1.2 below) for the provision of employer-sponsored pharmacies on employer premises.

**WHEREAS**, **Client** desires to establish as such facility an employer-sponsored pharmacy (“**Pharmacy**”) to serve the needs of **Client**’s employees and other such individuals as mutually agreed to by the **Parties** (collectively, “**Participants**”). **Premise Health** desires to provide such services to **Client** under the terms and conditions of this Agreement.

**NOW, THEREFORE**, in consideration of the premises and the mutual promises and covenants set forth in this Agreement, and intending to be legally bound, the **Parties** agree as follows:

### SECTION 1 ENGAGEMENT

**1.1 Engagement.** In accordance with the terms of this Agreement, **Client** engages **Premise Health** as an independent contractor to provide or arrange for the provision of **Services** (defined in Section 2.1) to **Participants** at the **Pharmacy**.

**1.2 Use of Pharmacy Operator and Affiliates.** **Premise Health** may delegate the performance of a portion of **Premise Health**’s obligations under this Agreement (to the extent determined by **Premise Health**) to (i) **Walgreen Co.** (“**Walgreens**”) or (ii) another third party pharmacy operator selected by **Premise Health** and approved in writing by **Client**, which approval shall not be unreasonably withheld (**Walgreens** or such other approved pharmacy operator, “**Pharmacy Operator**”). References in this Agreement to “**Pharmacy Operator**” shall mean, during any period that **Premise Health** has delegated performance of its obligations to a **Pharmacy Operator**, such **Pharmacy Operator**, and during any period that **Premise Health** is performing such obligations directly, **Premise Health**. Notwithstanding any delegation of its obligations to a **Pharmacy Operator**, **Premise Health** shall remain fully responsible to **Client** for the timely performance of all of **Premise Health**’s obligations under this Agreement (and for any **Pharmacy Operator**’s timely performance of any obligation described herein as an obligation of the **Pharmacy Operator**). Additionally, **Premise Health** or any **Pharmacy Operator** may perform such obligations through one or more of their affiliates, but again **Premise Health** shall remain responsible to **Client** for the full and timely performance of all such obligations.

## **SECTION 2** **SERVICES**

**2.1 Premise Health Services.** In consideration of the compensation set forth in Section 4, Premise Health will provide to Client and Participants (directly or through a Pharmacy Operator) the services, staffing, supplies and equipment described in this Agreement and on **Exhibit A** attached to this Agreement and incorporated herein (collectively, the “**Services**”). The Services will be consistent with the generally accepted standards established in the community within which the Pharmacy is located. Client agrees that Pharmacy Operator will have sole authority regarding clinical decisions and operations.

**2.2 Start-up Items.** Prior to the commencement of operations at the Pharmacy, if practicable, Pharmacy Operator will purchase for the Pharmacy (a) the items required for the Pharmacy to commence operations as described in Section 3 and detailed in the Budget (defined in Section 4.8), and (b) all other stock items, including pharmaceuticals and supplies, if applicable, initially required for the Pharmacy to commence operations. These items are referred to as “Start-up Items.” Premise Health will provide to Client price estimates for the Start-up Items and will obtain Client’s written approval prior to purchasing the Start-up Items. Upon payment for the Start-up Items in accordance with Section 4, Client will be the owner of the Start-up Items; provided, however, notwithstanding the foregoing, all pharmaceuticals will be owned by Pharmacy Operator and not Client. Each of the Parties will use its reasonable efforts to determine the final Start-up Items 90 days prior to the commencement of operations at the Pharmacy.

**2.3 Additional Services, Equipment and Supplies.** With Client’s prior written consent, which Client will not unreasonably withhold or delay, Premise Health or its Pharmacy Operator will provide or secure any additional services, equipment and supplies which do not fall within the definition of Services but are (a) reasonably necessary to deliver the Services and operate the Pharmacy or (b) desired by the Client. These additional services, equipment and supplies are referred to as “**Additional Items and Services.**” Client will reimburse Premise Health for costs associated with Additional Items and Services in accordance with Section 4 and, upon such reimbursement, will be the owner of such equipment and supplies; provided, however, notwithstanding the foregoing, all pharmaceuticals purchased in connection with such Additional Items and Services will be owned by Pharmacy

**2.4 Pharmacy Personnel.** Pharmacy Operator will provide the Services utilizing the personnel described on **Exhibit C** attached to this Agreement and incorporated herein (“**Pharmacy Personnel**”). In the discretion of Premise Health or its Pharmacy Operator, Pharmacy Personnel will be employed or contracted by Premise Health or its Pharmacy Operator, as applicable. Each of the Pharmacy Personnel will be duly licensed or certified in the State of Oregon. The Parties acknowledge and agree that in no event will Client exercise control and/or management over the employment, discharge, compensation and/or working conditions of any Pharmacy Personnel.

**2.5 Information Systems.** Pharmacy Operator will provide its standard software applications and systems support required to deliver the Services. Such software and applications are the property of their respective owners, and this Agreement does not constitute a license for Client to use such software and applications. Client will be responsible for all network connection

and service costs. In order to keep current with evolving technologies, Pharmacy Operator may, in its discretion, upgrade and make changes to the software platform and hardware utilized at the Pharmacy. Costs associated with such upgrades and changes shall be the responsibility of Client unless otherwise mutually agreed to by the Parties. Premise Health shall review any such charges with Client in advance.

**2.6 Legal Compliance.** Each Party (and any Pharmacy Operator) will comply with all applicable federal and state laws, statutes, regulations, and ordinances relating to its performance of this Agreement, including: labor laws; laws applicable to required permits, licenses, registrations, filings, certifications, and other approvals regarding the operation of pharmacies and the handling, storage and dispensing of pharmaceuticals; laws applicable to the disposal of medical waste and expired or unusable drugs; applicable federal and state laws and regulations relating to self-referral, kickbacks, false claims, and fraud and abuse; and, to the extent applicable, laws applicable to confidentiality and patient privacy (including HIPAA, as defined herein).

**2.7 Filings and Applications.** Each Party (and any Pharmacy Operator) will cooperate fully with the other Party and any Pharmacy Operator in furnishing any necessary information required in connection with the preparation, distribution and filing of any filings, applications and notices which may be required by any federal and state government or regulatory agencies relating to the operation of the Pharmacy.

### **SECTION 3** **PHARMACY**

**3.1 Pharmacy Premises.** Client will make available, without charge to Premise Health or its Pharmacy Operator, suitable premises for the location of the Pharmacy and the delivery of the Services. Client will ensure, without charge to Premise Health or its Pharmacy Operator, that the Pharmacy and the premises within which the Pharmacy is located are acceptable for their intended use, meet all applicable zoning ordinances, occupancy rules, and similar rules, ordinances, orders and laws, and are secure and meet Pharmacy Operator's specifications, which specifications may include Pharmacy size, location and layout. Client will grant Premise Health and, as applicable, Pharmacy Operator, an exclusive license to occupy the premises for the purpose of operating the Pharmacy for the Term of the Agreement and any extensions thereof pursuant to the terms and conditions stated herein. Client represents and warrants that during the Term, Pharmacy Operator and Pharmacy Personnel will have a non-exclusive license to access the Pharmacy premises, restrooms, hallways, doorways, accessways, parking areas, receiving and/or delivery areas and any other common areas in or near the Pharmacy. Client hereby represents that (i) Client has the full right, power and authority, without the consent or approval of any other party, to grant Pharmacy Operator the right to use the Pharmacy premises for the purposes herein stated; (ii) Client has no knowledge concerning any current or previous use of the Pharmacy premises which would lead a reasonable person to suspect that hazardous substances were deposited, stored, released, disposed of, or placed upon, about or under such premises and that Client has made due inquiry or investigation regarding such representation as appropriate; and (iii) there are currently no restrictions or other encumbrances affecting the Pharmacy premises that would limit, prohibit or otherwise restrict the intended use of such premises for the operation of the Pharmacy.

### **3.2 Pharmacy Maintenance.**

(a) Client will, without charge to Premise Health or its Pharmacy Operator, maintain the Pharmacy in good repair and working order, including its interior, exterior, structure and roof. Client will, without charge to Premise Health or its Pharmacy Operator, provide all other items and services of a non-pharmacy nature reasonably necessary to operate the Pharmacy including office furniture, environmental (including medical waste) and janitorial services, computer networking connections, and utilities such as electricity, water, heat, plumbing and air conditioning, all in accordance with Pharmacy Operator's specifications. Janitorial services will include daily cleaning services reasonably acceptable to Pharmacy Operator under standards applicable to similar pharmacy facilities. In addition, Client will, without charge to Premise Health or its Pharmacy Operator, maintain all buildings and surrounding areas in a tenable and safe condition, free of debris, ice, and snow.

(b) In the event any hazardous substance is discovered at any time in, under or about the Pharmacy during the Term then, provided such hazardous substance was not introduced into the Pharmacy by Premise Health or its Pharmacy Operator, Client will, at Client's expense, remove and dispose of such hazardous substance in accordance with applicable law.

**3.3 Pharmacy Operations.** The Parties agree that the Pharmacy will be open for operation in accordance with the hours of operation as set forth on **Exhibit C**; provided, however, that the Pharmacy will be closed on all federal holidays as well as those holidays established in accordance with Client's human resources policies, which Client will notify Premise Health of in writing in advance.

**3.4 Refusal to Provide Services.** Client acknowledges and agrees that Pharmacy Operator may withhold pharmacy Services to any Participant for good cause, including but not necessarily limited to, requests by a Participant for quantities of drugs in excess of prescribed quantities or refill limitations or where, in the professional judgment of the pharmacist, Services should not be provided. Pharmacy Operator reserves the right to discontinue the provision of pharmacy Services to any Participant who is disruptive or poses a threat to Pharmacy Personnel or other Participants.

**3.5 Data Delivery.** For Premise Health and/or its Pharmacy Operator to properly deliver the Services, Premise Health and any Pharmacy Operator must have, and Client will ensure that Premise Health or its Pharmacy Operator receives, access to Participant enrollment benefit coverage information will be transmitted to Pharmacy Operator (as applicable) at the time of dispensing through the on-line electronic transmission link maintained between Client prescription drug benefit manager ("PBM") and Pharmacy Operator ("On-Line System"). Pharmacy Operator will use this information to determine a Participant's eligibility and prescription benefit coverage at the time of dispensing, and Premise Health or its Pharmacy Operator shall not bear responsibility for any omissions or errors in the information transmitted through the On-Line System. When applicable, Client will provide Pharmacy Operator with hard edit messages to block the dispensing of generic medications that cost Participants higher co-payments than the brand name medications. Client shall provide to Premise Health, on a quarterly basis and in a format designated by Premise Health, full pharmacy claims data with respect to Client's

eligible population, subject to applicable law, to enable Premise Health to report on cost savings and undertake other analyses in connection with the Pharmacy. This reporting data shall include, but not necessarily be limited to, drug fill date, drug NDC number and name, pharmacy provider identification number and zip code, retail/mail indicator, brand/generic indicator, claim count and days' supply.

**3.6 Eligibility.** Client shall ensure that Pharmacy Operator is (with respect to the Pharmacy) a participating provider in every Client health plan and PBM retail network, as applicable, covering the Participants. Client agrees to implement and/or provide Participants with co-payment incentives to encourage the purchase of prescription products and pharmacy services at the Pharmacy, except with respect to prescription products and pharmacy services furnished to a Participant which are covered by a federal health care program, as that term is defined at 42 U.S.C. §1320a-7b(f), in which case Client will not furnish any such copayment incentives. All prescription products covered by Client's health plans shall be adjudicated at the co-payments determined by Client and communicated to Pharmacy Operator at the time of dispensing via the On-Line System. Pharmacy Operator may charge Participants who are not enrolled in Client's health plans or PBM retail networks but enrolled in other health plans at the rates set forth in Pharmacy Operator's contracts with such health plans or PBM retail networks, if applicable. If a Participant receives a prescription product and is not enrolled in a health plan or PBM retail network for which Pharmacy Operator is a participating provider, then Pharmacy Operator shall be permitted to charge that Participant Pharmacy Operator's usual and customary fee for such prescription product and require the Participant to pay the fee at the point of sale.

**3.7 Cooperation.** Client shall ensure that its PBM cooperates with Premise Health and its Pharmacy Operator to enable Pharmacy Operator to provide the Services contemplated in this Agreement, and Client agrees that Premise Health nor its Pharmacy Operator shall be responsible for failing to provide the Services as a result of the failure of the PBM(s) to so cooperate with Premise Health and its Pharmacy Operator (as applicable).

**3.8 Pharmaceutical Contracts.** Client may not request or demand Premise Health or its Pharmacy Operator take any action, including adjust any drug formulary or agree to any pharmacy benefit management contract term, that would violate or breach any agreements Premise Health or Pharmacy Operator may have with pharmaceutical manufacturers and suppliers. Pharmacy Operator will own all pharmaceuticals to be dispensed at the Pharmacy.

## **SECTION 4**

### **COMPENSATION AND OTHER MATTERS**

**4.1 Start-up Items.** Client must pay Premise Health's invoiced cost of the Start-up Items. Premise Health will bill such costs monthly, as incurred, and Client must pay the invoice for the Start-Up Items within 30 days of the invoice date. The implementation management fee associated with any start-up or implementation services will be included in the invoices for any Start-up Items or other mutually agreed upon implementation fees.

**4.2 Fees.** Client will pay to Premise Health the "Pharmacy Personnel Expense," which includes the wages, salaries and benefits for Pharmacy Personnel, whether they are Premise Health employees, Pharmacy Operator employees, or independent contractors as set

forth in the Budget.

#### 4.3 **Pharmaceutical Costs.**

(a) Premise Health will invoice Client monthly for the pharmaceuticals dispensed at the Pharmacy which are covered by Client's health plans, net of copays and other cost-sharing amounts, and Client must pay Premise Health by Electronic Funds Transfer for the pharmaceuticals within 5 days of receiving Premise Health's invoice.

(b) The cost of pharmaceuticals dispensed at the Pharmacy payable by Client to Premise Health will meet the following aggregate minimum guarantees:

- (i) For Brand Name Drugs, Premise Health will charge Client AWP – 17.5%.
- (ii) For Generic Drugs, Premise Health will charge Client AWP – 87%.
- (iii) Exclusions:

A. **“OTC Products”** means over-the-counter pharmaceutical and non-pharmaceutical products (i.e., those not requiring a prescription for sale under Applicable Law). For clarity, in some cases a prescription may be written for an OTC Product (even though not required under Applicable Law), or such OTC Product may otherwise be treated as an Included OTC Script.

B. **“Limited Distribution Drug”**, or an LDD, is a specialty medication that is complicated to manage. These are expensive drugs that require special handling, administration, or monitoring

C. **“Single Source Generic Drug”** means a Prescription Drug, identified by its chemical or generic name, which has a brand name code “B” or “G” and the multisource code “N” or “M”, as determined by MediSpan, and is produced by only one manufacturer.

- (iv) Definitions:

A. **“Average Wholesale Price”** or **“AWP”** **“AWP”** means the average wholesale price set forth by MediSpan or other nationally recognized source mutually agreed upon by the Parties.

B. **“Brand Name Drug”** means a Prescription Drug which has a brand name code “T”, as determined by MediSpan, or if MediSpan does not provide a designation for the Prescription Drug, is designated as a brand drug by the United States Adopted Names Council.

C. **“Multi-Source Generic Drug”** means a Prescription Drug, identified by its chemical or generic name, which has a multi-source code “O” or “Y” and the brand name code “B” or “G”, as determined by

MediSpan, and is produced by multiple manufacturers; provided that if a designation is unavailable for a Prescription Drug through Medispan, then the Parties will use the designation established by the United States Adopted Names Council, and accepted by the Federal Food and Drug Administration as an equivalent for those Prescription Drugs having the same active ingredients.

D. **”Single Source Generic Drug”** means a Prescription Drug, identified by its chemical or generic name, which has a brand name code “B” or “G” and the multisource code “N” or “M”, as determined by MediSpan, and is produced by only one manufacturer; provided, that if a designation is unavailable for a Prescription Drug through MediSpan then Parties will use the designation established by the United States Adopted Names Council and accepted by the Federal Food and Drug Administration as an equivalent for those Prescription Drugs having the same ingredient.

E. **“Specialty Brand Name Drug”** means, as defined by Pharmacy Operator, a high cost Single Source Brand Name Drug that treats complex conditions and requires special handling and administration.

F. **“Specialty Generic Drug”** means, as defined by Pharmacy Operator, either a high cost Single-Source Generic Prescription Drug or a high cost Multi-Source Generic Drug that treats complex conditions and requires special handling and administration.

(c) Client is solely responsible for payment of any wholesale distributor Tax (defined herein) or any other excise or value added Tax or governmentally instituted imposition however styled if based upon purchases at wholesale or prescriptions dispensed to Participants. Client also will reimburse Premise Health any applicable federal, state or local sales Tax liability or liability for governmental impositions based upon the sales of prescriptions dispensed (including prescription over-the-counter medications) or goods and services provided by Pharmacy Operator to Client or Participants. **“Tax”** means any sales tax, imposition, assessment, excise tax or other government levied amount based on Pharmacy Operator’s sale of prescriptions to Participants either on gross revenues or by transaction, whether such tax is designated a sales tax, gross receipts tax, retail occupation tax, value added tax, health care provider tax, transaction privilege tax, assessment, pharmacy user fee, or charge otherwise titled or styled. It includes any tax in existence or hereafter created whether or not the bearer of the tax is the retailer or consumer.

(d) **Coupon Optimization Program.** From time to time, but not less than quarterly, Premise Health will identify certain pharmaceutical manufacturers saving and coupon programs for which Client and Participants may qualify (“Coupon Optimization”). Premise Health shall provide Client with a written summary of such programs and the savings opportunities. To the extent that Client agrees to modify its summary plan description for specified pharmaceuticals to include any prerequisites to comply with Coupon Optimization program guidelines, Premise Health will manage and remit such Coupon Optimization program for those eligible pharmaceuticals. Premise Health will retain 20% of total recoveries attributable to the Coupon Optimization program. All remaining

recoveries shall be summarized and included on the monthly invoice provided by Premise Health to Client.

**4.4 Insurance Costs.** Client must pay insurance costs as set forth in Schedule 7.1. Premise Health will invoice Client for insurance costs and Client must pay such amount within 30 days of the invoice date.

**4.5 Payment Detail.** All client payments to Premise Health set forth in this Agreement shall contain such payment detail reasonably requested by Premise Health, including an invoice number. At Premise Health's request and upon Premise Health's provision of necessary information to Client sufficient to facilitate such payments, all such payments shall be made by electronic funds transfer.

**4.6 Late Fees.** If Client fails to pay Premise Health any payment when due, such payment will accrue a pro-rated late fee of 1.5% per month and 18% per annum; provided, however, that in no event will either of such interest rates be higher than the rate permitted by applicable law. Client is solely responsible for any and all reasonable costs incurred by Premise Health in seeking collection of any delinquent amounts owed hereunder.

**4.7 Budget.** A detailed description of the projected expenses relating to the implementation of the Pharmacy is attached as **Exhibit B-1** to this Agreement and incorporated herein (the "Implementation Budget"). A detailed description of the projected expenses relating to the operation of the Pharmacy is attached as **Exhibit B-2** to this Agreement and incorporated herein ("Operating Budget" and, collectively with the Implementation Budget, the "Budget"). The projected expenses are based upon estimated utilization of the Pharmacy and incorporate certain reasonable assumptions. In the event Participant count or utilization of the Pharmacy exceeds or falls short of estimated utilization, Premise Health and Client will work in good faith to jointly reevaluate the Budget. The Parties will agree upon the revised Pharmacy Personnel Expense, Management Fee, G&A Expenses, and operating costs for the upcoming year] at least 60 days prior to January 1 of each year following the first full year of operation. If the Parties have not agreed by January 1/the beginning of a contract year] on the revised Pharmacy Personnel Expense, Management Fee, G&A Expenses, and operating costs, then each category of expense will increase by a maximum of 7%, which will constitute the Operating Budget for that calendar year.

**4.8 Audit Rights.** Client may, at its own expense and at reasonable times during regular business hours, audit the books and records of Premise Health's management of the operation of the Pharmacy upon furnishing Premise Health at least 45 business days' prior written notice and subject to the limitations in this section. Any such audit may include review of documentation supporting the receipt of Participant fees and other funds collected on behalf of Client and original supporting documentation of payments made by Premise Health for services and supplies purchased for the Pharmacy and reimbursed by Client including, to the extent applicable, payments made for pharmacy supplies, rentals, lease payments, building and equipment repairs, interior and exterior maintenance, utilities and any and all other related expenses incurred in connection with Pharmacy Operator's operation at the Pharmacy, but excluding any pharmaceutical wholesaler invoices, agreements, or other books and records in any way related to Pharmacy Operator's cost of goods sold or acquisition costs for



pharmaceuticals or over-the-counter products purchased, dispensed or sold pursuant to this Agreement. Client's right to audit Pharmacy Personnel costs and expenses is limited to the review of total amounts paid to all Pharmacy Personnel and independent contractors, together with the documentation to establish that such amounts were actually paid. In addition, such audit may be performed no more frequently than once per year by Client or its designees appointed by Client and approved in advance by Premise Health to conduct such audit. Nothing herein will be construed to abrogate the confidential nature of the pharmacist/patient relationship or the privacy rights of Participants, and without limitation of the foregoing any such audit shall be conducted in compliance with HIPAA in all respects. Upon termination of the Agreement, Client shall have up to one year after the Agreement's termination date to audit periods preceding the Agreement's termination date

## **SECTION 5** **TERM & TERMINATION**

**5.1 Term.** The Term of this Agreement will commence as of January 1, 2022 (the "Commencement Date") and will continue thereafter for an initial term of two years (the "Initial Term") and, thereafter, may renew for up to five (5) successive one-year periods upon the mutual written agreement of the Parties (collectively, the Initial Term and any renewals are the "Term").

**5.2 Termination.** This Agreement will terminate upon the termination of the Standard Deschutes County Service Contract, effective January 1, 2022, between Premise Health and Client. This Agreement may also be terminated by the mutual written agreement of the Parties at any time.

**5.3 Effect of Termination.** Upon termination of this Agreement for any reason, Client will be obligated immediately to pay Premise Health all amounts due under this Agreement, including amounts due for Services rendered up to and including the effective date of termination.

## **SECTION 6** **INSURANCE**

**6.1 Insurance.** The Parties shall procure and maintain insurance as set forth in the attached Schedule 7.1.

**6.2 Client Indemnity.** Client will indemnify and defend Premise Health, any Pharmacy Operator, and Premise Health's and the Pharmacy Operator's parents, subsidiaries, other affiliates, and their respective officers, directors, trustees, employees, agents, contractors or other representatives (collectively, the "**Premise Health Parties**") from any actual or threatened legal or administrative action, claim, liability, penalty, fine, assessment, lawsuit, litigation, or other loss, expense, or damage, including without limitation reasonable attorneys' fees and costs (together, "**Liability**"), brought or otherwise claimed by a third party that Premise Health or the Premise Health Parties may incur directly or indirectly resulting from or based upon (a) any negligence or willful misconduct of Client or Client's parents, subsidiaries, other affiliates, and their respective officers, directors, trustees, employees, agents, contractors or other representatives (collectively, the "**Client Parties**"); provided, however, that Client will not be required to indemnify or defend Premise Health or the Premise Health Parties for any Liability to the extent such Liability results from any negligence or willful misconduct of Premise Health or

the Premise Health Parties; (b) the condition of the Pharmacy, including without limitation, environmental liabilities, except to the extent any such condition is created by Premise Health or the Premise Health Parties; (c) the physical condition and security of the Pharmacy or equipment provided by Client or the Client Parties, except to the extent caused by Premise Health or the Premise Health Parties; (d) any alleged breach of confidentiality by Client or the Client Parties that results from Client's or the Client Parties' access to Participants' pharmacy records and unauthorized or illegal publication by Client or the Client Parties of information contained in the Participants' prescription records (e) application by Client or the Client Parties of their human resource policies to Pharmacy Personnel (f) denial of prescription benefit coverage, whether by omission, decision, or design and (g) Client's breach of any representation or warranty set forth in this Agreement. The foregoing indemnification shall include, but shall not be limited to, any Liability resulting directly or indirectly from the presence, removal or disposal of any hazardous substance in accordance with Section 3.2(b).

**6.3 Premise Health Indemnity.** Premise Health will indemnify and defend Client and the Client Parties from any Liability brought or otherwise claimed by a third party that Client or the Client Parties may incur directly or indirectly resulting from or based upon (a) any negligence or willful misconduct of Premise Health or the Premise Health Parties; provided, however, that Premise Health will not be required to indemnify or defend Client or the Client Parties for any Liability to the extent such Liability results from any negligence or willful misconduct of Client or the Client Parties; (b) the condition of the Pharmacy, including without limitation, environmental liabilities, to the extent any such condition is created by Premise Health or the Premise Health Parties; (c) the physical condition and security of the Pharmacy or equipment provided by Client or the Client Parties, to the extent caused by Premise Health or the Premise Health Parties; (d) any alleged breach of confidentiality by Premise Health or the Premise Health Parties that results from access to Participants' pharmacy records and unauthorized or illegal publication by Premise Health or the Premise Health Parties of information contained in the Participants' prescription records, and (e) Premise Health's breach of any representation or warranty set forth in this Agreement. The foregoing indemnification shall include, but shall not be limited to, any Liability resulting directly or indirectly from the presence, removal or disposal of any hazardous substance in accordance with Section 3.2(b).

#### **6.4 Indemnity Procedure.**

(a) If any action or proceeding is brought against a Party, or such Party receives a notice of a claim, for which action, proceeding or claim such Party (the "**Indemnified Party**") may seek indemnity under this Agreement from the other Party (the "**Indemnifying Party**"), the Indemnified Party will promptly deliver written notice of such action, proceeding or claim to the Indemnifying Party (the "**Indemnification Notice**"). Failure to deliver the Indemnification Notice to the Indemnifying Party will not relieve the Indemnifying Party from its indemnification obligation under this Agreement, except (i) to the extent that the Indemnifying Party is prejudiced by such failure to deliver notice and (ii) the Indemnifying Party will not indemnify the Indemnified Party for any legal expenses and costs incurred by the Indemnified Party before the Indemnified Party delivers the Indemnification Notice.

(b) The Indemnifying Party may undertake, directly or through its insurer, the defense of any such action, proceeding or claim, and may contest or, settle such action, proceeding

or claim on such terms as the Indemnifying Party may choose. The Indemnifying Party will deliver notice of intent to defend in whole or in part to the Indemnified Party within 60 days after receipt of the Indemnification Notice. If the Indemnifying Party or its insurer undertakes such defense, such defense will be conducted by attorneys retained by the Indemnifying Party or the insurer at the Indemnifying Party's or its insurer's cost and expense. The Indemnified Party, however, may participate in such proceedings through attorneys of its own choosing and at its own expense.

## **SECTION 7**

### **RECORDS, CONFIDENTIALITY, POLICIES AND PROCEDURES**

#### **7.1 Pharmacy Records and Participant Information.**

(a) Incidental to the rendering of Services under the terms and conditions of this Agreement, Premise Health or its Pharmacy Operator will generate documentation, records, and reports necessary to render the Services.

(b) Pharmacy Operator will maintain pharmacy records in compliance with federal and state laws, rules and regulations, as may be amended from time to time, concerning the maintenance and confidentiality of such records. Pharmacy Operator will release pharmacy records to Client solely in accordance with requirements of state and federal law and regulations.

(c) Premise Health, its Pharmacy Operator, and Client will not, directly or indirectly, use or disclose any confidential Participant information, except (i) as provided in this Agreement, or (ii) for the purpose of patient care, when such use or disclosure is in accordance with applicable laws

#### **7.2 Confidential Business Information.**

(a) Confidential information with respect to either Party (which shall include, with respect to Premise Health, any Pharmacy Operator) means trade secrets, internal business practices, business records, processes, plans, goals, strategies, software systems, protocols, policies, procedures, customers, employee lists, business partners, finances, products, services, pricing, materials requirements, identity and quantities of materials purchased and in inventory, material sources and prices, information learned by the other Party by observing such Party's facilities, and any other written information marked "Confidential."

(b) Each Party agrees that (i) it will use its reasonable efforts to keep secret and will not, directly or indirectly, use, except as provided herein, or disclose any confidential information of the other Party that it acquires from, or is afforded access to by, the other Party during the performance under this Agreement, except as authorized by the other Party in writing prior to such disclosure; (ii) it will exercise all reasonable efforts to prevent third parties from gaining access to confidential information of the other Party; (iii) it will not use or copy any confidential information of the other Party for itself or for any person except for the purpose of its performance under this Agreement; and (iv) unless otherwise agreed by the Parties, it will, at the option of the other Party, destroy or return to the owner thereof all documents, materials and other

tangible items containing confidential information of the other Party (and all copies thereof) upon termination of this Agreement.

(c) Confidential information does not include any information which (i) at the time of the disclosure is already known to the recipient other than by way of prior disclosure under a confidentiality agreement; (ii) has been lawfully acquired by the recipient from a third party without violating the terms of this Agreement or any provision of applicable law or has been independently developed by the recipient; (iii) is required to be disclosed pursuant to judicial or administrative process in connection with any action, suit, proceeding or claim or otherwise by applicable law (but only to the extent so required to be disclosed); provided, however, that the Party required to disclose such information will give the other Party whose information is proposed to be disclosed as much advance notice of such disclosure as possible, (iv) is or becomes available in issued patents, published patent applications or printed publications of general public circulation other than by violation of this Agreement; or (v) is generally disclosed by the disclosing party to the public without restriction.

**7.3 Confidentiality of Protected Health Information.** The Parties hereto and any Pharmacy Operator will comply with all applicable requirements and obligations under the Health Insurance Portability and Accountability Act of 1996 (“HIPAA”) which governs any uses and disclosures of pharmacy, medical and other individually identifiable health information specifically relating to Participants (“Protected Health Information” or “PHI”) that may occur as a result of this Agreement. Both Parties warrant that they, and Premise Health warrants that any Pharmacy Operator, will maintain and protect the confidentiality of all PHI in accordance with the applicable requirements and obligations under HIPAA and all applicable federal and state laws and regulations. However, nothing herein will limit either Party’s or any Pharmacy Operator’s use of any aggregated patient information that does not contain or constitute PHI.

**7.4 Policies and Procedures.** In order to assure adequate and knowledgeable performance under this Agreement, Client will provide Premise Health and its Pharmacy Operator with access to Client’s policies and procedures insofar as they relate to the Pharmacy and the Services. Client acknowledges that Premise Health’s and its Pharmacy Operator’s performance under this Agreement will be inhibited if Client does not provide both Premise Health and its Pharmacy Operator with all applicable policies and procedures insofar as they relate to the Pharmacy and the Services.

**7.5 Hazard Communications.** Within two weeks of the commencement of operations at the Pharmacy, Premise Health must provide to all on-site Pharmacy Personnel the hazard communication training required by applicable federal and state law.

## **SECTION 8**

### **INDEPENDENT CONTRACTOR**

**8.1** In providing and performing pharmacy services and management services under this Agreement, Premise Health will act as, and be deemed to be, an independent contractor. Nothing contained in this Agreement is deemed to create a relationship of master/servant, employer/employee, partnership or joint venture between Client and Premise Health, between Client and any Pharmacy Operator, or between Client and any Pharmacy Personnel.

**8.2** Premise Health and its Pharmacy Operator, as applicable, are solely responsible for hiring and training the Pharmacy Personnel, and, to the extent necessary, training subcontractors and, therefore, all such persons are or will be the employees or subcontractors of Premise Health. None of Pharmacy Personnel will be directly or indirectly employed by Client and they will not be deemed to be employees or agents of Client for any purpose whatsoever.

**8.3** Client does not have the right of control over the specific manner of performance of Pharmacy Personnel's duties hereunder. The right of control over the specific manner of performance of such duties is vested entirely in Premise Health or its Pharmacy Operator, except where the scope of professional practice is concerned, in which case control is vested in the appropriate Pharmacy Personnel.

## **SECTION 9**

### **PRESS RELEASES AND USE OF NAMES MARKETING**

**9.1 Press Releases, Use of Names.** Subject to the restrictions provided in this Section, each Party will have the right to issue press releases regarding this Agreement to local, national and trade publications throughout the Term. In addition, each Party will have the right to identify the relationship in sales and promotional activities, including listing Client in a list of clients. Any information disclosed by either Party to the public that references the other Party as contemplated in this Section will require that Party's prior approval, which approval may not be unreasonably withheld or delayed.

**9.2 Marketing Plan.** During the Term, Premise Health and Client agree that they will work together in good faith to develop a marketing plan that will increase awareness of the Pharmacy among Participants. Client agrees to make available to Premise Health, without charge, certain existing intracompany communications vehicles to communicate messages and/or print advertisements about the Pharmacy. These communication vehicles will include, but are not limited to, newsletters, direct mailings, payroll insertions and internal postings. Such advertisements and messages will appear in the communications vehicles as often as deemed reasonably necessary by the Parties to support the Pharmacy. In addition, Client will accurately describe and represent the role of Premise Health and its Pharmacy Operator in providing the Services in all communications, including marketing and advertising materials to Participants.

## **SECTION 10**

### **EXCLUSIVITY AND NON-SOLICITATION**

**10.1 Exclusive Provider.** Premise Health and any Pharmacy Operator have the exclusive right and authority to provide the Services to Client during the Term.

**10.2 Non-Solicitation.** At termination of this agreement, Premise Health agrees to release all Premise Health employees working at the Deschutes County sites from any applicable non-compete or non-solicitation agreement or any agreement that would otherwise preclude the employee from working for any other employer associated with providing services/work at the Deschutes County sites.

**10.3 Placement Fee.** If Client, its affiliates or vendors employs any individual in violation of Section 10.2, Client will pay Premise Health a placement fee equal to such individual's annual gross compensation for the first year in the new position. Client will pay Premise Health the fee set forth in this Section within 30 days after commencement of employment of the individual with Client or its affiliates or vendors, as applicable.

## **SECTION 11** **MISCELLANEOUS**

**11.1 Dispute Resolution.** If a dispute or difference of any kind whatsoever (a "**Dispute**") arises between Premise Health and Client in connection with or arising out of this Agreement, including interpretation, performance, non-performance, or termination hereof, the Parties will attempt to settle such Dispute in the first instance by good faith mutual discussion. If such Dispute has not been resolved within 30 days by mutual discussion, and the Parties do not mutually agree to extend such discussion, either Party may seek legal remedy. Either Party may apply to any court of competent jurisdiction for a temporary restraining order, preliminary injunction, or other interim or conservatory relief, as necessary, without breach of this Section.

**11.2 Force Majeure.** Neither Party will be deemed to be in default of this Agreement if it (or in the case of Premise Health, its Pharmacy Operator) is prevented from performing any obligation hereunder for any reason beyond its control, including but not limited to, acts of God, war, civil commotion, fire, flood or casualty, shortages of or inability to obtain labor, materials or equipment, governmental regulations or restrictions, or unusually severe weather. In any such case, the Parties agree to negotiate in good faith with the goal of preserving this Agreement and the respective rights and obligations of the Parties hereunder to the extent reasonably practicable. It is agreed that financial inability will not be deemed to be a matter beyond a Party's control.

**11.3 Third Party Beneficiaries.** Client Parties and Premise Health Parties (including, without limitation, Pharmacy Operator) are intended third-party beneficiaries under Section 7.2 of this Agreement, and Pharmacy Operator is an intended third-party beneficiary under Section 1.2 of this Agreement. Except for the foregoing, Premise Health and Client do not intend to establish a third party beneficiary agreement between Premise Health or any of its employees or agents or Pharmacy Operator and any of its employees or agents and any of Client's employees or agents or any Participant.

**11.4 Notices.** Unless provided otherwise elsewhere in this Agreement, any and all notices required or permitted to be given under this Agreement will be sufficient if furnished in writing and sent by (a) messenger or overnight courier service, with receipt acknowledged by signature, or (b) by certified mail, return receipt requested, postage prepaid, to the Party at the below address; provided that any notices to Premise Health will be deemed delivered when received at Premise Health's street and email address, as specified below.

If to Premise Health: Premise Health Employer Solutions, LLC  
5500 Maryland Way  
Suite 120  
Brentwood, TN 37027  
[legal@premisehealth.com](mailto:legal@premisehealth.com)  
Attention: Legal Department

If to Client: \_\_\_\_\_  
\_\_\_\_\_

Any notice provided hereunder will be deemed given upon receipt by the addressee. Either Party may designate a different address for receiving notices hereunder by notice to the other Party in accordance with the provisions of this Section.

**11.5 Integration and Amendment.** This Agreement, as may be amended from time to time, and any exhibit or other attachment to this Agreement represent the entire understanding of Premise Health and Client with respect to the subject matter hereof and supersede all prior negotiations, understandings, agreements and representations, including any confidentiality or non-disclosure agreement entered into between the Parties related to the subject matter hereof, specifically including, without limitation, that certain Pharmacy Agreement, effective May 30, 2021, as amended. This Agreement will also control over any supplemental or inconsistent terms or conditions contained in or attached to any purchase order. No amendment of this Agreement will be binding or of any effect unless in writing, duly signed by an authorized executive officer of the Party against which such amendment is sought to be enforced.

**11.6 Successors and Assigns.**

(a) Except as set forth in Section 1.2, this Agreement and the rights and obligations of the Parties may not be assigned, nor the Services hereunder delegated, by either Party without prior written consent of the other, which consent will not be unreasonably withheld or delayed, and any attempt to do so will be null, void and of no force of effect, except that either Party may assign its rights and delegate its obligations hereunder to any entity acquiring all or substantially all of such Party's assets and business to which this Agreement relates, whether by sale of assets, merger, consolidation or otherwise, without the prior written consent of the other Party.

(b) Except as provided herein to the contrary, this Agreement is binding upon and inures to the benefit of the Parties, their respective successors and permitted assigns.

**11.7 Waiver of Default or Breach.** No waiver by either Premise Health or Client of any default or breach of this Agreement operates as a waiver of any future default or breach, whether of like or different character or nature.

**11.8 Survival.** Sections 5.3, 6, 7.1, 7.2, 7.3, and 11 will survive termination of this Agreement.

**11.9 Severability.** In the event that any one or more of the provisions contained in this Agreement is for any reason held to be invalid, illegal or unenforceable in any respect, the invalidity, illegality or unenforceability of the provision will not affect any other provision hereof.

**11.10 Counterparts; Electronic Records.** Premise Health and Client may execute this Agreement in any number of separate counterparts, each of which, when executed and delivered by the Parties hereto, has the same force and effect of an original. All such counterparts are deemed to constitute one and the same instrument. The Parties agree that this Agreement may be converted into an electronic record and that in the event of any dispute involving this Agreement, a copy of such electronic record may serve as the exclusive original. The Parties agree to recognize the validity, enforceability and admissibility of this Agreement in electronic format or any electronic signature created in connection with this Agreement or the relationship between the parties hereto. An electronic record of this Agreement and any electronic signature made in connection with this Agreement shall be deemed to have been signed in hand by the Parties.

**11.11 NO CONSEQUENTIAL OR PUNITIVE DAMAGES. BOTH PARTIES SPECIFICALLY AGREE THAT NO CONSEQUENTIAL, INCIDENTAL, SPECIAL OR PUNITIVE DAMAGES MAY BE AWARDED AS A RESULT OF ANY BREACH OF THIS AGREEMENT OR THE RELATIONSHIP COVERED BY THIS AGREEMENT AND EACH WAIVES ITS RIGHTS THERETO.** Both Parties understand that this waiver was an integral part of the other Party's decision to enter into this Agreement. Both Parties also agree that recovery by Premise Health of the Management Fee payable under the terms of this Agreement represents direct damages not excluded by this Section.

**11.12 Limited Renegotiation.** This Agreement will be construed to be in accordance with any and all applicable federal and state statutes, rules, regulations, principles and interpretations. In the event that there is a change in any applicable federal or state statute, rule, regulation, principle or interpretation that renders any of the material terms of this Agreement unlawful or unenforceable, including any services rendered or compensation to be paid hereunder, either Party will have the immediate right to initiate the renegotiation of the affected term or terms of this Agreement, upon notice to the other Party, to remedy such condition. Should the Parties be unable to renegotiate the term or terms so affected within 30 days of the date on which notice of a desired renegotiation is given so as to bring it/them into compliance with the statute, rule, regulation, principle, or interpretation that rendered it/them unlawful or unenforceable, then either Party will be entitled, after the expiration of said initial 30-day period, to terminate this Agreement upon written notice to the other Party.

**11.13 Construction.** The Parties have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement will be construed as if drafted jointly by the Parties and no presumption or burden of proof will arise favoring or disfavoring any Party by virtue of the authorship of any of the provisions of this Agreement. When used herein, the word "including" will not be construed as limiting.

**11.14 Governing Law.** This Agreement will be governed by and construed and enforced in accordance with the laws of the State of Oregon without regard to principles of conflict



of laws. If any legal action is brought to enforce or interpret any part of this Agreement, the substantially prevailing Party will be entitled to recover reasonable attorneys' fees to be determined by the judicial body. The attorneys' fees will be in addition to the amount of judgment or any other relief obtained by the substantially prevailing Party. Any suit brought under this Agreement shall be brought in the state or Federal courts sitting in Deschutes County, Oregon. The Parties waive any claim or defense that such forum is not convenient or proper. Each Party agrees that any such court shall have *in personam* jurisdiction over it and consents to service of process in any manner authorized by Oregon law.

**11.15 Signatory Authority.** Each Party represents and warrants that the individual signing this Agreement on its behalf is duly authorized to bind such Party to all terms and conditions of this Agreement.

**IN WITNESS WHEREOF,** the Parties have caused this Agreement to be executed by their authorized representatives as of the date first set forth above, intending to be legally bound hereby.

**DESCHUTES COUNTY**

**PREMISE HEALTH EMPLOYER  
SOLUTIONS, LLC**

Dated this \_\_\_\_\_ of \_\_\_\_\_, 20\_\_

By: \_\_\_\_\_

\_\_\_\_\_  
PATTI ADAIR, Chair, County Commissioner

Name: \_\_\_\_\_

Title: \_\_\_\_\_

\_\_\_\_\_  
ANTHONY DeBONE, Vice Chair, County Commissioner

Date: \_\_\_\_\_

\_\_\_\_\_  
PHIL CHANG, County Commissioner

\_\_\_\_\_  
DESCHUTES COUNTY DIRECTOR OF HUMAN RESOURCE

**SCHEDULE 7.1  
INSURANCE**

**A. Premise Health Insurance.** During the Term, Premise Health shall acquire and maintain, at its own expense, written in US Dollars, in full force and effect, the policies of insurance outlined below:

**i. Worker's Compensation Insurance,** including statutory occupational illness and disease coverage, or other similar social insurance in accordance with the laws of the country, state, or territory exercising jurisdiction over Pharmacy Personnel and Employer's Liability Insurance with a minimum limit of \$1,000,000 each accident, \$1,000,000 policy limit, and \$1,000,000 each employee.

**ii. Commercial General Liability Insurance,** including Personal Injury, and Broad Form Property Damage Liability coverage for bodily injury (including death) or damages to any property with a minimum of \$2,000,000 per occurrence and \$6,000,000 general aggregate.

**iii. Professional Liability (Errors and Omissions),** covering acts, errors or omissions arising out of Services performed under this agreement in an amount no less than \$2,000,000 per occurrence and \$6,000,000 per aggregate. This policy shall have no deductible or self-insured retention. As a claims-made policy coverage ceases at the time coverage is not renewed or replaced or at the time this agreement is terminated, Client shall be solely obligated to pay the cost of Tail Coverage pursuant to Section H of this Schedule 7.1.

**iv. Commercial Property Insurance,** such policy on a Special or "All Risk" form covering Premise Health and its Pharmacy Operator's property on Client's premises, as well as Client's property in Premise Health or its Pharmacy Operator's care, custody and control with a minimum limit adequate to cover such risks on a 100% replacement cost basis.

**v. Business Automobile Liability Insurance** covering Premise Health and its Pharmacy Operator's use of all owned, non-owned, and hired automobiles with a minimum combined single limit of \$1,000,000.

**vi. Commercial Crime (or equivalent) Insurance policy,** including employee dishonesty and computer fraud, covering losses arising out of or in connection with any fraudulent or dishonest acts committed by employees, officers, or agents of Premise Health or its Pharmacy Operator, acting alone or in collusion with others, including the property and funds of others in their care, custody or control, in a minimum amount of \$5,000,000 per occurrence, and \$5,000,000 aggregate.

**B. Client Insurance.** During the Term, Client shall acquire and maintain, at its own expense, written in US Dollars, in full force and effect, the policies of insurance outlined below with respect to Client's ownership and operation of the building where the Pharmacy is located:

**i. Worker's Compensation Insurance,** including statutory occupational

illness and disease coverage, or other similar social insurance in accordance with a minimum limit of \$1,000,000 each accident, \$1,000,000 policy limit, and \$1,000,000 each employee.

**ii. Commercial General Liability Insurance,** including Products, Completed Operations Liability, Personal Injury, Contractual Liability and Broad Form Property Damage Liability coverage for bodily injury (including death) or damages to any property with a minimum of \$2,000,000 per occurrence and \$4,000,000 general aggregate.

**iii. Commercial Property Insurance,** such policy on a Special or "All Risk" form covering Client's property as well as Premise Health's and any Pharmacy Operator's property in Client's care, custody and control with a minimum limit adequate to cover such risks on a 100% replacement cost basis.

**C. Right to Self-Insure.** Each Party agrees to permit the other Party to self-insure its liability obligations hereunder under its programs of self-insurance. Evidence of a Party's coverage under such self-insurance programs is available upon request. Each Party will be listed as Additional Insured under self-insurance programs as required herein.

**D. Insurance Coverage Requirements.** All coverage required hereunder will be provided by carriers having a minimum A.M. Best Rating of no less than A-, with a Financial Strength Rating of no less than VIII (8), *provided, however,* that certain primary layer Premise Health coverage required hereunder will be provided through Green Hills Insurance Company, a non-rated Vermont-domiciled Risk Retention Group (NAIC #11941) principally owned by Premise Health, its subsidiaries and affiliates. All insurance carriers used by Premise Health will be licensed and qualified to do business in the state in which the Pharmacy is located. Any excess (umbrella) coverage to the primary layer carrier will have a minimum A.M. Best Rating of no less than A-. Evidence of coverage hereunder will be provided prior to the commencement of Services under this Agreement. Coverage hereunder shall not be subject to cancellation on less than 30 days' written notice

**E. Cost of Coverage.** Premise Health and Client will each bear the cost of procuring and maintaining their own respective insurance coverages as set forth in this Section, except to the extent of Professional Liability (malpractice) insurance coverage and Commercial General Liability Coverage, which Premise Health shall procure but which cost Client shall bear pursuant to the current Budget and as set forth in Section 4.5, but not to exceed the cost for those limits as agreed to between the parties outlined above (\$2,000,000 per incident, with an annual aggregate of \$6,000,000).

**F. Waiver of Subrogation.** Each Party agrees that their respective insurers must waive their rights of subrogation against the other Party, its employees, officers, and agents when applicable.

**G. Primary and Non-Contributory.** Each Party agrees that all coverages required of them respectively hereunder, whether primary or excess, shall always be primary to any insurance carried by the other Party, whether that be primary, excess, umbrella, or self-insurance.

**H. Extended Reporting Period Endorsement.** The Professional Liability insurance described herein is written on a claims-made basis. Claims-made coverage ceases to exist at the termination of the contractual relationship between Client and Premise Health. Therefore, in order to ensure continued coverage, Premise Health will procure but Client will purchase an Extended Reporting Period Endorsement (“Tail Coverage”), with a minimum term of two years, for professional liability claims which may be made against Premise Health and Client after contract termination and during the run-off of the professional liability through the statute of limitation or repose, as applicable. Client will submit payment to Premise Health for the Tail Coverage within 30 days of contract termination. Premise Health will provide to Client documentation from the insurance carrier (or applicable broker) as to the cost of such Tail Coverage, which shall not to exceed the last annual premium amount paid, or payable, by Client under this Agreement.

**I. Obligations following Termination.** Notwithstanding any other provision in the Agreement or herein, Premise Health’s indemnification obligations will not survive the termination of the contractual relationship between Client and Premise Health through the statute of limitation or repose, as applicable, without Tail Coverage as set forth in Section H.

**J. Additional Insured.** Premise Health and Client will each cause their respective policies to be duly and properly endorsed to provide for Additional Insured status of the other Party (and, with respect to Client’s policies, Additional Insured status of Premise Health’s Pharmacy Operator), limited to claims against the Additional Insured based on the negligence of the Named Insured, as follows:

i. Client, its directors, officers, agents, employees, affiliates, subsidiaries and other authorized representatives will be included as additional insured under any policy or policies provided or maintained by Premise Health as set forth above, except for the statutory workers’ compensation specified in Section A.i above and Commercial Property insurance specified in Section A.iv above.

ii. Premise Health, its Pharmacy Operator, and their respective directors, officers, agents, employees, affiliates, subsidiaries, and other authorized representatives will be included as additional insured parties under any policy or policies provided or maintained by Client as set forth above, except for the statutory workers’ compensation specified in Section B.i above and Commercial Property insurance specified in Section B.iii above.

**K. Cancellation, Expiration, or other Reduction in Coverage.** Neither Premise Health nor Client will allow any of its respective policies or any part or portions thereof to be canceled, allowed to expire or reduced in scope of coverage (other than as a reduction in the limits of insurance solely due to claim payments) until 30 days’ advance written notice thereof has been sent to the other Party (only policies required of the respective Party, pursuant to this Section).

**L. Evidence of Insurance.** Prior to the commencement of operations, and annually thereafter, each Party will furnish to the other evidence of insurance showing that the aforesaid insurance and endorsements are in full force and effect.

**M. Failure to Maintain.** In the event either Party fails to procure or maintain in full force and effect any of the insurance or endorsements required pursuant to this Schedule 7.1, the other Party shall have the right to immediately terminate this Agreement as set forth in Section 6.1(b) of the Agreement.

**N. Deductibles & Self-Insured Retentions.** All self-insured retentions and/or deductibles on any referenced insurance coverages must be borne by the insured Party. Such Party shall be responsible for all claims expenses and loss payments within the policy deductible or self-insurance retention. If the policy is subject to an aggregate limit, replacement insurance may be required if it is likely that such aggregate will be exceeded. Such insurance shall be subject to the terms, conditions, and exclusions that are usual and customary for this type of insurance.

## **EXHIBIT A PHARMACY SERVICES**

Pursuant to Section 1.2 of the Agreement, Premise Health shall remain fully responsible to the Client for ensuring the timely performance of Premise Health's and Pharmacy Operator's obligations set forth below:

**1.1 Licenses.** Pharmacy Operator will maintain the licenses necessary to operate the Pharmacy including a DEA license, an Oregon pharmacy license, business license (if applicable) and any other licensure, permits, or approvals necessary to legally provide the pharmacy services at the Pharmacy.

**1.2 Pharmacy Manager.** Pharmacy Operator's designated pharmacy manager will be responsible for the coordination, implementation, and day to day delivery of the pharmacy Services. The designated pharmacy manager will be supported by Pharmacy Operator's managers and supervisors.

**1.3 Implementation Services.** Premise Health, with the support of Pharmacy Operator, will ensure the completion of all aspects of the implementation plan (including reporting upon mutually agreed upon client responsibilities and timelines). Specific implementation work-streams will include, but are not limited to:

- (a) Facilities.
- (b) Recruiting.
- (c) Information Systems (principally handled by Pharmacy Operator).
- (d) Purchasing (principally handled by Pharmacy Operator).
- (e) Legal (principally handled by Pharmacy Operator).
- (f) Marketing/ Communication.
- (g) Benefits/ Plan Design (in cooperation with Pharmacy Operator).
- (h) Clinical Programming/Oversight (in cooperation with Pharmacy Operator).
- (i) Quality Assurance/ Risk Management.
- (j) Pharmacy set-up (principally handled by Pharmacy Operator).
- (k) Training (principally handled by Pharmacy Operator).
- (l) Post-live Transition (principally handled by Pharmacy Operator).

**1.4 Staffing.** Pharmacy Operator will recruit, hire and provide necessary training to all

staff members at the Pharmacy. The pharmacist and pharmacy technicians will be appropriately licensed or certified, as applicable, to be able to perform the functions of their job descriptions.

**1.5 Pharmacy Services Offered.**

Pharmacy Operator (except as otherwise indicated) will:

- (a) Open and close the Pharmacy at agreed upon hours.
- (b) Fill prescriptions for patients and offer multi-day (e.g., 90-day) supply to patients.
- (c) OTC Services:
  - (i) Stock or dispense over-the-counter ("OTC") medications as mutually agreed among Client, Premise Health, and any Pharmacy Operator.
  - (ii) Offer a select variety of OTC medications and related supplies, such medications and supplies to be offered at discounted prices, subject to approval by Client in its discretion.
- (d) Be responsive to questions from patients, Pharmacy staff and outside medical professionals. Provide and manage professional interactions with the client, the employees, Pharmacy staff, and outside medical professionals.
- (e) Manage day-to-day operational issues with the pharmacy services and address any concerns of Client regarding the pharmacy Services.
- (f) Collect prescription co-pays and balance cash register at the end of the day.
- (g) Contact a provider's office to renew prescriptions as necessary.
- (h) Provide computerized inventory control system and use prescription reports [and/or wholesaler] to set order points.
- (i) Send and receive medication orders via the computer system.
- (j) Perform periodic inventory audit as required under applicable law.
- (k) Purchase and manage all inventories at the Pharmacy.
- (l) Ensure proper handling and storage of all pharmaceuticals as required by Oregon and federal regulations and manufacturer recommendations.
- (m) Comply with the Premise Health, Pharmacy Operator, and, to the extent applicable, Client policies and procedures relating to personal conduct.

(n) In cooperation with Premise Health, train staff consistent with Pharmacy Operator's and, as applicable, Premise Health's policies and procedures with respect to expectations around the following:

(i) Treating patients with integrity and respect.

(ii) Preventing medication errors.

(iii) Providing patient education.

(iv) Reviewing medication profiles for medication interactions, adverse drug effects.

(o) Reports. Premise Health (in cooperation with Pharmacy Operator) will provide reports with respect to the Pharmacy. An example of such reports is attached hereto as Attachment 1.

(p) Return outdated stock to manufacturers for credit, as applicable.

(q) Counseling. Provide patient counseling and patient education.

(r) Install, maintain, and update all hardware and communication equipment in connection with operating the Pharmacy.

(s) Immunization Services.

(i) Provide immunization services. Immunizations will be administered as supply is available, as covered by Client's summary plan description and allowed by applicable law.

(ii) Provide immunization services as permitted by pharmacy laws including: vaccinations to Participants based on current state practice.

(t) Address questions from applicable health professionals.

(u) Implement the formulary directives with community physicians whose employees' members use the Pharmacy by contacting physicians to have prescriptions changed, as applicable.

(v) Cooperate and comply with all OSHA guidelines for the proper handling and disposal of any hazardous pharmaceuticals or chemicals.

(w) Participate in Health Fairs/Lunch & Learns subject to additional fees including but not limited to reimbursement of marketing materials.

(x) Pharmacy Medical Waste Removal.

(i) Coordinate, and if necessary arrange, for periodic regulated pharmacy



medical waste pickup as required and will be coordinated with the local plant management team and procedures.

(ii) Use its standard resources/account to provide pharmacy medical waste removal.

(iii) Obtain licenses/certificates as may be required by applicable law for removal of the Pharmacy medical waste.

(y) Participate in annual Client-patient satisfaction survey.

(z) As mutually agreed upon, Premise Health will provide marketing and communication recommendations (including suggested messaging, promotions, etc.) to promote the opening of the Pharmacy.

(aa) Participate in pharmacist or pharmacy certification program(s), as mutually agreed among Premise Health, any Pharmacy Operator, and Client.

**1.6 Chronic Condition Program Management.** Services will meet or exceed all standards recognized by the Oregon Board of Pharmacy.

(a) Provide overall program management and integrate with Client health management programs.

(b) Provide engagement in employee health-management programs through the Pharmacist Provider-Patient relationship.

(c) Assist Patients with taking initial steps to become active participants in managing their chronic disease issues by completing a limited health appraisal.

(d) Provide ongoing support and mitigation of pharmacy issues.

(e) Perform patient check-in processes.

(f) Manage patient pharmacy information.

(g) Collaborate with patients and patient's primary care providers for pharmacy related issues.

(h) Perform pharmacy quality improvement programs where feasible.

**1.7 Clinical Pharmacist Duties to include:**

(a) Medication Management to include collecting medical and drug histories from patients, comprehensive medication review, medication monitoring, and provider outreach to relay recommendations for adjustments to drug therapy when necessary.

(b) Medication Reconciliation: the comprehensive evaluation of a patient's medication regimen any time there is a change in therapy in an effort to avoid medication errors such as omissions, duplications, dosing errors, or drug interactions, as well as to observe compliance and adherence patterns.

(c) Education and Behavioral Counselling to provide patient specific education, and recognized wellness coaching processes to help patients enact behavioral modification. Sessions will typically be 1 to 1 with the Script Your Care pharmacist.

**1.8 Eligible Participants.** Participants who are eligible to receive Services at the Pharmacy include are all Participants enrolled in the Client's employee benefits plan, which includes Client employees, spouses and dependents of employees, COBRA-eligible Participants, and retirees of Client or Central Oregon Intergovernmental Council (COIC).

## Exhibit B Budget



### Deschutes County - Pharmacy Budget

	IMP	Year 1	Year 2	Year 3	Year 4	Year 5
Fixed Expenses	\$ -	\$ 86,357	\$ 88,948	\$ 91,616	\$ 94,365	\$ 97,186
Variable Expenses	\$ -	\$ 371,808	\$ 382,960	\$ 394,449	\$ 406,282	\$ 418,471
<b>Total Expenses</b>	<b>\$ -</b>	<b>\$ 458,163</b>	<b>\$ 471,908</b>	<b>\$ 486,065</b>	<b>\$ 500,647</b>	<b>\$ 515,668</b>
COGS	\$ -	\$ 3,164,326	\$ 3,258,255	\$ 3,357,033	\$ 3,457,744	\$ 3,561,476
Recoveries	\$ -	\$ (656,073)	\$ (674,725)	\$ (694,967)	\$ (715,816)	\$ (737,291)
<b>Staffing Model</b>						
Pharmacy Manager		1.00	1.00	1.00	1.00	1.00
Pharma Tech		1.20	1.20	1.20	1.20	1.20
<b>Total FTEs</b>		<b>2.20</b>	<b>2.20</b>	<b>2.20</b>	<b>2.20</b>	<b>2.20</b>

- ◆ This Pricing provided by Premise Health is valid for 60 days.
- ◆ Will begin billing fixed and labor costs on first month of training.
- ◆ Recruiting costs for Years 1 - 5 will be billed as incurred.
- ◆ IT Refresh will be billed as Incurred after Year 3.
- ◆ Model assumes no circuit construction or extension of Demark.

<sup>1</sup> Fixed expenses include Technology Services, Insurance, Management Fee, and G&A Fee.

<sup>2</sup> Variable expenses include Staffing Cost, Supplies, Lab Fees, Professional Development, Professional Fees, Datalines, Building Services, Account Travel, and Encounter Fees. Additional expenses not outlined here will be billed as incurred.

<sup>3</sup> Additional pricing detail can be provided upon request, outside of the RFP.

<sup>4</sup> The above projections for Years 2-5 are estimates built off of Year 1 budget. Actual budget will be adjusted based on actual spend and any other budgetary requirements each year.