Prescription Filling/Pharmacy Service Program

**Vendor:** Diamond Pharmacy Services, 645 Kolter Drive, Indiana, PA 15701

**MMCAP Contract Number:** MMS14004

**Contract Dates:** February 1, 2014 – December 31, 2019

**MMCAP Program Manager:** Heather Pickett, 651-201-2412

**Description of Services:**

Vendor will dispense prescriptions and distribute stock medications written by authorized medical staff at designated member facilities. Vendor will provide professional comprehensive pharmaceutical services for all prescription, non-prescription, and intravenous (IV) solutions, as ordered by all prescribers, as well as clinical management and technology solutions that meet the member facilities’ requirements.

**Location of Service:**

*Correctional Facilities.* Vendor will provide pharmacy services to correctional facilities in all 50 states where FedEx, UPS, or the U.S. Postal Service provide delivery services. Correctional facilities include large and small state departments of corrections, county jails, city jails, juvenile facilities, female facilities, intake centers, forensic treatment centers, and alcohol and drug detox centers.

*Long-term Care Facilities.* Vendor also will provide services to long-term care, assisted living, MHMR and other healthcare facilities in Pennsylvania, Maryland, Ohio, New Jersey, New York, and Delaware based on their locations.

**Value Added Service – Independent Invoice Auditing:**

For all MMCAP member facilities using this contract, eAudit Solutions, Inc., will automatically provide independent auditing of Vendor’s invoices. eAudit Solutions, Inc., will audit a monthly file of Vendor’s invoices to MMCAP members against and independently created WAC file. In the event eAudit Solutions, Inc. discovers a discrepancy in either the cost of the prescription or dispensing fee, Vendor will work with MMCAP to resolve the discrepancy.
Pricing (details in 2.9 below):

Pharmaceuticals and OTCs:

- Brand name and single-source products will be dispensed at a price per unit rate of WAC minus 5% plus a dispensing fee per prescription and stock piece. Single-source medications are defined as brand name or generic entities that are provided from a single manufacture source.
- Generic multi-source products will be dispensed at a price per unit rate of WAC minus 80% plus a dispensing fee per prescription and stock piece.

Dispensing Fee:

<table>
<thead>
<tr>
<th>Facility Average Daily Population (ADP)</th>
<th>Dispensing Fee per Prescription and Stock Piece</th>
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<tbody>
<tr>
<td>1-500</td>
<td>$4.50</td>
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<tr>
<td>501-2,500</td>
<td>$3.50</td>
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<tr>
<td>2,501–50,000</td>
<td>$3.00</td>
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Contract Details

2 Contracted Services

2.1 Service Area

A. Correctional Facilities. Vendor will provide pharmacy services to correctional facilities in all 50 states where FedEx, UPS, or the U.S. Postal Service provide delivery services. Correctional facilities include large and small state departments of corrections, county jails, privately owned correctional facilities, city jails, juvenile facilities, female facilities, intake centers, forensic treatment centers, and alcohol and drug detox centers.

B. Long-term Care Facilities. Vendor also will provide services to long-term care, assisted living, MHMR and other healthcare facilities in Pennsylvania, Maryland, Ohio, New Jersey, New York, and Delaware based on their locations.

2.2 Services—Vendor will dispense prescriptions and distribute stock medications written by authorized medical staff at designated member facilities. Vendor will provide professional comprehensive pharmaceutical services for all prescription, non-prescription, and intravenous (IV) solutions, as ordered by all prescribers, as well as clinical management and technology solutions that meet facilities’ requirements. All medications and OTC items that the facility purchases must be purchased from the Vendor. Most prescriptions will be dispensed from Vendor’s mail-order pharmacy and will be delivered by commercial package delivery services. Facilities within driving distance (approximately 2.5 hour one-way drive) of Vendor’s pharmacies will receive deliveries by courier service. On-site emergency kits, which contain life-saving medications, injections for pain control, antibiotics, and medications to control behavior will also be available, if permitted with proper licensing by Vendor. Vendor will provide facilities with starter kits containing first-dose medications for STAT administration. Emergency prescriptions not available in the emergency kits or starter kits will be provided by Vendor-contracted local backup pharmacies and billed to Facility as a pass-through charge.

Solid, orally administered medications will be provided in true unit-dose blister cards, in which medications eligible for credit will have each bubble of the blister card labeled with the medication’s name and strength, lot number, NDC, manufacturer’s name, and expiration date. Prescription labels are customizable with Facility-specific information and are barcoded to allow for inventory management as well as quality assurance during med pass. Each prescription label will contain a two-part peel-off tab to allow easy refill processing. For MMCAP correctional facilities, unused blister card medications (both full and partial) will be returnable for credit, where permitted by law, and in accordance with Vendor’s return policy.

Vendor will provide 24 hour a day/7 day a week/365 day a year (24/7/365) consulting with a regularly scheduled pharmacist accessible using a toll-free telephone number.

Formulary development and management, at no charge to the Facility, will be available to provide cost control and to ensure that the most appropriate medications are safely prescribed in accordance with manufacturer’s recommendations and as written by the Facility’s medical staff.
Vendor will provide on-site medication room inspections and reviews, if requested and for the hourly rate set forth in Article 7 Audits, to ensure proper storage and security of pharmaceuticals, when requested. The frequency of inspections will be determined by accreditation requirements, department of health regulations, and state law.

Vendor will offer correctional facilities Sapphire eMAR—a proprietary web-based electronic ordering, reconciliation, inventory and eMAR software. Vendor will provide the pharmacy portion of the software free-of-charge, on the condition that the member Facility uses it to order and purchase all of its non-emergency medications from Vendor. Vendor will also provide facilities access to a free electronic reconciliation system. Vendor will also provide Online Reporting Program (ORP) is a web-based program that is accessible 24/7/365 that allows staff at member facilities the ability to access patient data and to generate standard and custom reports. Vendor will also work with other vendors to establish an interface with providers of other electronic health records and comprehensive medication management programs for correctional, long-term care, and assisted living facility clients. Vendor will cover the costs on a case by case basis within reason, up to $2,500 to develop the Vendors portion of the interface and discuss any possible charges that will be required by the Facility prior to any interface or programming work being initiated. Facility will be responsible for any fees charged from the EHR or JMS system or switch company. Vendor may offer an Electronic Health Record to facilities for a charge to be determined by the Vendor for each individual Facility.

Vendor will offer to loan to the facilities medication carts and a fax machine to each Facility throughout the duration of this contract. Fax machine replacement toner/cartridges can be purchased through Vendor at Vendor’s actual acquisition cost plus dispensing fee. Number of carts supplied will be based on the average number of blister cards utilized and cart capacity. Vendor will also provide basic manufacturer supplied reference materials/video library, in-service training when requested for a fee, commissary supplies, and an information exchange from other facilities serviced by the Vendor. Reference books and publications, such as Physicians’ Desk Reference (PDR), Nursing Drug Handbooks, etc., can be purchased through the Vendor at Vendor’s actual acquisition cost plus dispensing fee plus shipping.

Vendor will offer to provide third party billing services for federal inmates housed in MMCAP member Facilities (U.S. Immigration and Customs Enforcement, U.S. Marshals Service, Bureau of Prisons), Medicare, and Medicaid recipients, and holders of private insurance where eligible and when the information is made available from the Facility to the Vendor at the time of order transmission. Vendor will provide a 30-45 day transition plan (including orientation) and 60-day follow-up period for questions that may arise and troubleshooting.

**Monographs**—Patient medication information monographs are available through Sapphire 24/7/365 and can be printed at Facility level from Vendor’s web based Sapphire eMAR Program.
**Consulting**—Licensed pharmacists will be available by toll free phone 24 hours a day, 7 days a week, and 365 days a year (24/7/365) to provide routine and emergency consultations regarding all phases of a Facility’s pharmacy operation and to prescribing physicians and nurses regarding pharmaceutical therapy and cost recommendations. Pharmacists will be experienced in correctional medicine, long-term care, assisted living, and mental health management, and understand the complexities associated with these settings.

**Pharmacy and Therapeutics (P&T)**—Vendor will provide access to a clinical consulting department that will be staffed with personnel such as doctors of pharmacy, registered pharmacists, AAHIVP HIV Pharmacists,™ a certified diabetes educator, a registered nurse practitioner, and a certified anticoagulation specialist.

For each Facility, Vendor will provide a lead pharmacist account manager who will serve as an active member of (and chair, upon request) a Facility’s pharmacy and therapeutics (P&T), pharmacy, quality assurance (QA), continuous quality improvement (CQI), medical leadership, and other committees, as required and when requested. Consulting will be provided free of charge if via video- or teleconference or billable at $75.00 per hour plus travel expenses, if on site.

Vendor will have videoconferencing available for facilities with those capabilities for face-to-face meetings with Vendor staff any time.

**Protocols and Reports**—Upon request, Vendor will provide disease state management protocols for chronic illnesses such as diabetes, hypertension, psychiatric, cardiovascular disease, asthma, chronic obstructive pulmonary disease (COPD), and HIV upon request. The protocols will include approved therapies and cost-effective pharmaceutical guidelines.

**Recalls**—When Vendor is notified of recalls, Vendor will review current inventory at their pharmacy(ies), remove items identified in the recall, and then Vendor will notify all relevant facilities that may have received the particular lot by fax or email.

**Medication Destruction**— Non-controlled substances that are outdated can be returned to Vendor for destruction regardless of their source, if permitted by state and local regulations. Unused medication must conform to Vendor’s credit policy or the item will be properly discarded by Vendor without credit. Recalled product will be addressed on a case by case basis and Vendor will follow the guidelines provided by the manufacturer for the return of product as well as provision of credit in accordance with the manufacturer guidelines. In the event Facility needs reverse distributor services the Facility will be responsible for those charges.

**Credit on Returns (For MMCAP Correctional Member Facilities)**—Vendor provides credit on unused medications, where permitted by law or regulation. Vendor will provide credit on both full and partial cards of medications. Credit is offered on full and partial cards at 100% of the amount billed to a Facility less a $0.60 processing fee per card, but not to exceed the current market value of the medication per dose of medication eligible for return. Non-creditable medications or medications that inmates brought into the Facility also can be returned for disposal or destruction at no charge.
Vendor will provide credit, where permitted by the State Board of Pharmacy and the FDA, on full and partial blister card medications returned, provided they:

- Remain in their original sealed blister packs
- Have been stored under proper conditions
- Have not been adulterated or defaced
- Are not within 3 months of expiration
- Have not been released to the inmate population or labeled/dispensed as “keep on person”
- Are not controlled substances
- Have a minimum value of $1.50 per returned card
- Have not been billed to a private insurance or Medicaid

Vendor will comply with the Pennsylvania State Board of Pharmacy regulations and in accordance to Facility’s home state regulations for returning medications for credit. Medications that are packaged with multiple units per bubble in a blister card or in multi-dose strip packaging must be destroyed upon return; thus, they do not qualify for credit.

Vendor will be responsible for the shipping costs for all returned medications back to Vendor when utilizing the Vendor provided prepaid preaddressed FedEx Package Returns Program (PRP) or UPS Authorized Return Service (ARS) labels. These labels will be simply affixed to the return box when full, which is handed to express delivery personnel during their normal pickup/delivery to a Facility.

Controlled medication and open partial stock medication cannot be credited per federal regulations. Credits are issued on medications based upon the professional judgment of the Vendor pharmacist.

Returns received by Vendor by the 15th if each month will be credited on the next invoice. Credit memos will be deducted from payment of the oldest outstanding invoice.

Upon contract termination, any desired returns must be received by Vendor within fifteen (15) days of contract termination. Vendor will not return goods to the Facility and returned items not eligible for credit.

**Third Party Billing Capabilities**

a. Vendor will directly invoice medical assistance, private health insurances, AIDS Drug Assistance Programs (ADAPs), the federal government, U.S. Immigrations and Customs Enforcement (ICE), the U.S. Marshals Service (USMS), and other sources of payment whenever the patient is eligible and when the billing information is provided to the Vendor by the Facility with the medication order and when permitted.

b. Medications invoiced to other payers will be billed at the Pennsylvania Medicaid rate. If these invoices are not paid within 90 days, the Facility will be responsible for all charges at the agreed upon Facility’s rate, and Vendor will cease billing the alternate payers.
c. Invoices for residents of long-term care or assisted living facilities are billed in the same itemized manner. Vendor will bill Medicaid and third party insurance providers in Delaware, Maryland, New York, New Jersey, Ohio, and Pennsylvania when permitted to bill and when patient is eligible.

d. U.S. Marshals Service - Vendor is a Heritage Health Solutions participating pharmacy. Prescriptions submitted by these sites for U.S. Marshals Service (USMS) inmates are noted as such by the site, and Vendor routes these appropriately for online adjudication and reimbursement. Vendor’s third party billing department will monitor these claims daily for any rejections or outstanding non-formulary medications; and will handle these claims directly with the Heritage Health Solutions customer service department.

e. Medicaid—Vendor is a Medicaid provider in most states that permit out of state billing and where patients can be billed. Vendor will use local backup pharmacies where available to fill and bill orders if patients are eligible for Medicaid benefits and when Vendor does not have a Medicaid provider number for the state.

**Dispensing Controlled Substances**—Prescriptions for CII (C2) controlled substances must be written on a hard copy prescription blank and forwarded to Vendor within 72 hours of being written. Some states permit Vendor to fill the prescription using a faxed image of the prescription, and upon verification, the Facility will mail the original. Other states require the prescription to be “in hand” prior to Vendor’s dispensing medication. Vendor follows guidance established by each appropriate state and the U.S. Drug Enforcement Administration (DEA).

Prescriptions for CIII-IV (C3-5) controlled substances can be filled using a faxed image of the prescription as long as the order faxed to Vendor has a quantity, clear directions, and prescriber’s signature. If an electronic order is submitted for a controlled substance, that image must be printed to hard copy, signed by the provider, and then faxed to Vendor in compliance with DEA rules and regulations.

Vendor and Facility will strictly adhere to rules and guidance established by the DEA regarding prescription requirements to ensure that a Facility and Vendor remain in full compliance. DEA restrictions apply to the electronic transmission of controlled substance orders, and Vendor follows all DEA rules and regulations on this subject.

**2.3 Compliance**

All medications will be labeled, packaged, and dispensed/distributed for stock or patient specific in complete compliance with all current, anticipated and future local, state, federal and department laws, rules, regulations, and provisions, or in their absence, the best practices of the trade and industry standards.

A. **State Boards of Pharmacy Licensure**—Vendor will be licensed in good standing with the State Boards of Pharmacy in accordance with the standards of the Commonwealth of Pennsylvania and as a non-resident pharmacy in the states needed where MMCAP Facilities are located.
B. **DEA Registration**—Vendor is registered with the U.S. Drug Enforcement Administration to dispense controlled substances in Schedules II–V.

C. **Licensed Wholesaler/FDA Registered Repacker**—Vendor will be a licensed wholesaler in the state of Pennsylvania and states where the participating Facilities are located in when needed and will provide repackaged stock medications in 30-count blister cards using the services of an FDA Certified Repacker.

D. **Joint Commission**—Vendor will remain accredited by The Joint Commission, for pharmacy for the term of this agreement. Failure to do so may result in immediate cancelation of this agreement.

E. **VAWD**—Vendor will remain accredited as a Verified-Accredited Wholesale Distributor (VAWD) by the National Association of Boards of Pharmacy (NABP) for the term of this agreement.

F. **On-Site AAHIVM HIV Pharmacists™**—Vendor currently has on staff and available to facilities two expert pharmacists who have earned the designation of American Academy of HIV Medicine (AAHIVM) HIV Pharmacist™ (AAHIVP). These experts are available to answer questions related to the treatment of human immunodeficiency virus (HIV), Hepatitis B virus (HBV), Hepatitis C virus (HCV), and HIV/HBV/HCV co-infected patients as well as questions relating to drug–drug and drug–disease state interactions. Vendor will maintain an AAHIVP certified Pharmacist for the term of this agreement.

G. **FDA Risk Evaluation Mitigation Strategies**—Vendor will follow all appropriate regulations, guidelines, and procedures established by federal and state laws including those of the U.S. Food and Drug Administration (FDA) for operating in compliance with FDA-approved Risk Evaluation and Mitigation Strategies (REMS).

H. **HIPAA**—Vendor will comply with current Health Insurance Portability and Accountability Act (HIPAA) and all applicable regulations promulgated thereunder. In accordance with HIPAA, Vendor will keep secure and private all information that may be considered Individually Identifiable Health Information (IIHI).

2.4. **Orders/Returns**

A. **Products**—When available, Vendor will use A and/or AB rated generic pharmaceuticals and OTC products when available except when the prescription is required to be dispensed as written.

B. **Hours of Operation**—Vendor will provide operational and clinical consulting service 24 hours a day, 7 days a week, and 365 days a year (24/7/365). A pharmacist will be able to be reached directly by phone or with Vendor’s after-hours answering service by calling: 1.800.882.6337.

C. **Medication Ordering Process**—Orders may be placed by phone or fax 24 hours a day, 7 days a week, and 365 days a year (24/7/365). Physician’s orders may be faxed directly by designated cut off time for shipment without transcribing as long as they are complete and legible. Correctional Facilities may order electronically using Sapphire eMAR, a web-based medication management system. Vendor will work with MMCAP member facilities that are long-term care or assisted living providers to encourage their electronic ordering software systems currently in place at those locations to interface with Vendor’s third party Pharmacy Information System software. Vendor will assign one primary and one backup technician to process a Facility’s orders which enables Facilities to talk to the same people every day as a main point of contact.
D. **Emergency Orders** -- Emergency orders will be submitted directly to Vendor’s toll-free stat fax line or electronically through Sapphire, which connects to a dedicated server that is staffed 24/7/365. Emergency orders will be handled on a priority basis and, depending on account-specific policies and procedures, will be delivered directly by courier and will be billed from the Vendor to the Facility as a pass through.

1. **STAT & Emergency Medications**—Emergency prescriptions for STAT orders will be provided through the emergency kit/starter packs or by a pre-arranged, subcontracted local backup pharmacy of the Facility’s preference.

   Emergency medications not found in either the emergency medication kit or the starter packs and unavailable from Vendor in sufficient time will be provided to the Facility when available in a minimum quantity by a local backup pharmacy in the immediate area.

2. **Local Backup Pharmacies**—When Facility needs an emergency prescription, the Facility staff faxes or electronically transmits the prescription using Vendor’s STAT FAX LINE, which is staffed and available 24/7/365. Upon order receipt, Vendor contacts the backup pharmacy and arranges for the emergency prescription.

   Emergency prescriptions also can be delivered directly to the Facility using the local pharmacy’s delivery service or a taxi or courier service that has been pre-arranged by Vendor, at the Facility’s request.

   If phoning Vendor with emergency orders, the Facility will be immediately transferred to a dedicated customer service technician or a pharmacist who can expedite the emergency/STAT need. If called in after hours, Vendor’s answering service will patch the call through to an on-site pharmacist at the Vendor’s pharmacy, on duty 24 hours a day.

   The backup pharmacy will invoice Vendor, and Vendor will invoice Facility. The amount of the charge will include the normal Vendor-contracted rate plus any additional charges from the local pharmacy. These additional charges will be passed through at Vendor’s cost, without any margin or mark-up. Charges may include, but are not limited to, the cost of the local pharmacy’s prescription, if above Vendor’s contract price, plus any delivery or on-call charges; taxi or courier charges; etc. Detailed reports of all emergency prescriptions will be provided with Vendor’s invoice each month.

3. **Emergency Kits**—Vendor will provide lockable emergency medication kits that contain injectable medications used for immediate administration to alleviate pain, treat infections, modify dangerous behavior, and preserve life if permitted by licensing and state regulations.

   Medications and stock quantities will be determined in conjunction with the facilities’ medical director.

   All contents will be listed on the sealed, lockable kit.
Accountability sheets in each kit or cabinet will be used to document inventory, administered doses, and destruction.

Medications utilized will be replenished by the Vendor and billed to the Facility.

4. Stock Cards for STAT/Emergency Administrations—Prior to Facility initiation Vendor will establish a sufficient stock inventory based on the Facility’s current products and the amounts used if permitted by licensing and state regulations.

Appropriate stock quantities will be maintained using the following process:

Vendor will develop a customized order form that lists all stock items used by the Facility. Each form will contain a list of the items with complete descriptions and package sizes. To order, the Facility will indicate the quantity needed next to each item on the form and submit the order to Vendor.

Access to medications must be limited to authorized personnel, and medications must be kept secure at all times.

Vendor will provide stock cards for medications that are needed for immediate administration. Stock-card doses are packaged in tamper-proof blister packs. Over the counter and legend items will be packaged in blue blister cards, and controlled substances dispensed as stock will be packaged in red blister cards to differentiate the drugs and prevent diversion.

Inventory flow sheets will be provided to record and document each dose administered from the stock card to reconcile all doses. When stock is depleted, completed accountability sheets must be faxed to Vendor to reconcile doses. Medication can be reordered as needed by submitting by fax or electronically the peel-off reorder label to Vendor or by using stock order forms. Vendor’s system of accountability complies with all National Commission on Correctional Health Care (NCCHC) and American Correctional Association (ACA) guidelines.

To help minimize diversion, Vendor will require the prescriber and a member of the nursing department to sign order forms for controlled substance stock items before they are dispensed.

E. Fax Machine—Vendor will offer to provide each Facility with a plain paper fax machine for the transmission and receipt of information between the Facility and Vendor. Fax machine replacement toner/cartridges may be purchased through Vendor at Vendor’s actual acquisition cost plus dispensing fee.

F. Electronic Ordering through Sapphire eMAR (For MMCAP-Member Correctional Facilities Only)—Vendor will provide access to Sapphire eMAR free of charge to eligible Facilities purchasing all non-emergency medications from the Vendor and using the system to transmit all orders to Vendor. Vendor will take full responsibility of installing the product and its support.
G. Vendor will be responsible for the shipping costs for provided medications as part of the dispensing fee for facilities in the lower 48 states. For facilities in Alaska and Hawaii, shipping will be billed.

2.5 Packaging

A. Medication Packaging Options—Prescription and non-prescription solid, orally administered medications will be dispensed in the Facility’s choice of several packaging methods.

1. Tamper-proof USP Class B unit-dose blister cards. Blister cards provide a specialized filling system for safe, efficient, and cost-effective medication distribution.

2. Original manufacturer’s pill bottles

3. Conventional prescription bottles

4. Stock cards (where allowable)

5. Multi dose packaging (at a separately negotiated rate)

6. Strip packaging (at a separately negotiated rate)

7. Other systems, upon request (and at a separately negotiated rate).

Contract pricing is based on 30 day single dose blister card packaging. Pricing for other packaging methods will be determined on a case-by-case basis and a quotation is available from Vendor upon request.

B. True Unit-Dose Blister Cards—Maintenance medications will be dispensed in a 30-day supply unless otherwise requested. Solid medications will be dispensed in 30-count blister cards with one unit per bubble.

C. Discharge medications will be dispensed to the Facility in the quantity requested. All discharge medications will be dispensed in childproof containers, unless otherwise requested. These medications will be labeled appropriately with all directions and auxiliary warning labels, in compliance with applicable regulations.

D. OTC medications will be sent in 30 day blister cards or bulk original manufacturer’s packaging, except when ordered by the prescriber for individual patients or when prohibited by law or Pharmacy Board regulations.

E. Liquid medications will be provided in unit-of-use containers, as written.

F. Eardrops and liquids will be provided in original manufacturer containers or are repackaged from their original glass containers into plastic, if requested and when permitted by FDA.
G. **Creams and ointments** will be provided in original manufacturers' containers or in plastic jars, if requested and when permitted by FDA.

H. **IV mixtures** will be dispensed compounded, labeled, and ready to administer or will be dispensed in Mini-Bag Plus packaging for easy self-mixing on site, upon request by the Facility.

I. **Medication Labeling**—Each prescription will be properly dispensed and labeled as patient-specific or stock in full compliance with all federal and state laws, rules, regulations, and provisions. Each label will include the following information:

- Pharmacy name and address
- Patient name
- Patient identification number (upon request)
- Cell block (if applicable)
- Medication name and strength
- Medication imprint, shape, and color for proper identification
- Dosage form
- Generic interchange information
- Quantity dispensed
- Manufacturer's name
- Lot number
- Medication expiration date
- Date on refill label, indicating when medications may be refilled
- Route and times of administration
- Directions for use (Spanish available upon request)
- Prescription number
- Prescriber name
- Original date
- Dispense date
- Discontinue date (stop date) and/or refill information
- Dispensing pharmacist's initials
- Cautions and alerts

For safe and effective medication use, warning/auxiliary labels will be provided as appropriate on prescription labels. The labeling describes cautions, warnings, potential interactions and reactions, and dietary instructions. Examples of warning/auxiliary labels include “take with food,” “may cause drowsiness,” and “shake well.”

J. **Labels for Controlled Substances**—Controlled substances, which are packaged in red blister cards for easy identification, will be marked with a large red letter “C” if in Schedules III-V (C3-5) and with two red letter “C”s if Schedule II (C-2) to allows Facility staff to differentiate the schedules.
**K. Peel-off Refill Tabs**—Part of the medication label will be a thermal barcode label with a peel-off refill tab, printed in clear, large type. The tabbed refill labels will be supplied on every labeled medication order. Each refill tab will contain the patient’s name and number, medication name, quantity, number of refills, prescriber, prescription number, unique card identification, and date the next refill is due. The form can then be faxed to Vendor or scanned into the Sapphire eMAR system for electronic refill submission.

**L. Customizable Barcodes**—Each correctional Facility label’s barcode will be recognizable by Vendor’s ePrescribing and Sapphire eMAR software or by any in-house computer software. The barcode also can be accommodated, as space permits, to include specific prescription-related information requested by facilities.

**M. True Unit-dose Labeling**—Vendor’s blister cards will be true unit-dose packaging for medications eligible for credit. While the label itself contains detailed information, the back of each pill bubble in the blister card is labeled with the medication name and strength, lot number, expiration date, and manufacturer ID. Only true unit-dose packaging allows for credit on returned medications. This will apply to medications eligible for the Credit Upon Returns Policy, described above.

### 2.6 Delivery

**A. Routine Order Cutoff Times (For MMCAP Correctional Facilities)**—New, routine orders can be submitted electronically before 2:00 p.m. EST/EDT Monday through Friday and 12:00 noon EST/EDT Saturdays (Facility routine order cutoff times). Late orders can be submitted by telephone directly to Facility technicians before 6:00 p.m. EST/EDT Monday-Friday.

Vendor is willing to discuss later cutoff times for non-Eastern Time Zones, if needed.

Emergency or STAT orders that cannot be filled using on-site medications in starter stock or emergency kits are provided the same day through a predetermined local backup pharmacy.

**B. Delivery Times**—The following table lists the cutoff times by which Facility must submit new orders for them to be filled by Vendor for next-business day delivery.

| Order Deadlines and Guaranteed Next-Day Delivery Times for MMCAP Facilities |
|-------------------------------------------------|-------------------------------------------------|
| Order Day/Cutoff Time                           | Delivery Day/ Guaranteed Delivery Time          |
| Monday                                          | Tuesday                                        |
| 2:00 p.m. EST/EDT                              | Dependent on FedEx and UPS                     |
| Tuesday                                         | Wednesday                                      |
| 2:00 p.m. EST/EDT                              | Dependent on FedEx and UPS                     |
C. Refill Orders—Normal turnaround on medication refill orders will be 2 business days from order placement to delivery. For facilities located in Alaska and Hawaii, add an additional business day. Facility staff should order medication refills 5-7 days prior to the current supply running out.

If a situation arises that causes the Facility to need a refill the next day, Vendor will accommodate the request and provide medication with the next shipment.

Delivery and cutoff times for long-term care and assisted living facilities are highly variable and depend on the needs of each Facility. Vendor will negotiate the times in good faith following the best trades and practices of the industry while exceeding the needs of member facilities. Vendor couriers deliver to long-term care and assisted living facilities at least once daily.

D. Shipments—Orders will be shipped for next-day delivery where available 6 days a week—Monday through Saturday, excluding Sundays and some nationally recognized holidays (New Year’s Day, Memorial Day, Independence Day, Labor Day, Thanksgiving, and Christmas).

E. Guaranteed Delivery Times—All new medication orders have a next-day guaranteed delivery time as published by FedEx or UPS. A contracted local backup pharmacy will process emergency orders.
All medications ordered will be shipped to be delivered by the carrier’s guaranteed delivery time the following day unless a medication is on national backorder or in the event that Vendor is out-of-stock. In that event, the medications usually are delivered the following day or a backup source will be used. All notifications of a medication on national backorder or out-of-stock will be communicated to the Facility on the delivery manifest, or if using electronic reconciliation, will be provided online prior to the shipment being delivered.

**F. Shipment Packaging**—Vendor’s shipment packaging maintains medications at the manufacturers’ recommended specifications. All medications that require refrigeration will be shipped in either insulated expander packs or Styrofoam® coolers with a cold pack to ensure proper temperatures. Outer boxes containing refrigerated items are labeled with a fluorescent orange sticker that states, “Refrigerated Items Enclosed.” Refrigerated items will not be shipped for weekend delivery unless requested.

**G. Shipping Manifest**—Every medication shipment will contain a detailed computerized delivery manifest containing Vendor’s name, patient name and identification number, prescription number, medication name and strength, manufacturer, quantity dispensed, date dispensed, Facility name, and price. If a Facility needs additional information on the delivery manifest, Vendor will make every effort to accommodate the request. Controlled substances will be packaged in a separate bag containing its own delivery manifest. In addition to a paper delivery manifest, facilities that want to electronically reconcile their orders can review pending deliveries before they arrive on site. Delivery reports will be sorted per Facility request by patient name, patient identification number, patient location, or medication.

If an ordered item is not part of the current shipment, the item and the reason for its absence (i.e., ordered too soon to fill, ordered past cut date, non-formulary medication, etc.) will be clearly indicated on the exception report section of the delivery sheets. For sites reconciling their orders electronically, this information will be automatically included in Vendor’s reconciliation program and can be reviewed daily. Items that need action by a nurse or medical provider prior to shipment can be reviewed before the order ships from Vendor, allowing facilities to be proactive and prevent medication delays. Any shortages will be corrected within 24 hours.

**H. Delivery Tracking**—All orders will be tracked to ensure the timeliness and accuracy of deliveries. Vendor’s shipping software will track packages at every destination point. The software will provide estimates and confirmations of scheduled and actual delivery times as well as the names and signatures of delivery recipients.

Upon request, Vendor will automatically email the facilities the FedEx or UPS tracking information, including the tracking number and a link to the shipping company’s website. Vendor can establish a special FedEx account for facilities, enabling staff to view the delivery status of all packages scheduled for the Facility. In addition, upon request, Vendor can provide reference numbers with Facility codes and dates, enabling the Facility to track packages over the telephone rather than online.
If an order is not delivered by its guaranteed delivery time, Vendor's shipping department will begin the process of tracking the shipment. If Vendor determines the package is lost in shipment, Vendor will immediately contact the Facility and provide a copy of the missing delivery manifest so each item can be reviewed and it can be determined if Vendor needs to supply the medication(s) using local backup sources. Those medication orders will immediately be sent to the backup by Vendor customer service technicians. The balance of the order will then be shipped for next-day delivery to the Facility.

I. Reconciliation and Inventory Management (For MMCAP Correctional Member Facilities)—Vendor’s reconciliation and inventory-management software will allow a Facility’s staff to quickly reconcile medication order shipments using barcode technologies, request/track refills, and managing returns online. Vendor’s system will export order information in various file formats such as Excel, Word, or PDF.

Once scanning is completed, the software automatically notifies Facility staff of any missing items.

Facilities will be able to review shipments as they build each day. Regarding items that could not be shipped, Vendor’s system will provide the Facility with information such as refills sent past the cut date, medications need a non-formulary approval, refills ordered too early, medications need a controlled substance hard copy, etc.

J. Recalls and Backorders—Vendor will have dedicated staff pharmacists to address manufacturer recalls, shortages, and medication backorders. When Vendor is notified of recalls, the team will immediately review Vendor’s current inventory and remove items identified in the recall. Vendor’s software will provide reports that list patients who received recalled medications. Vendor will notify all relevant prescribers and other personnel according to pre-established protocols and procedures. Vendor will notify all Facilities by fax and email.

K. Stock Drug Pedigree Requirements—

Vendor will fully comply with all pedigree requirements and offer electronic pedigrees. Pedigrees can be viewed by logging in to a secure password-protected site using Vendor’s web-based software from any web-based computer. Paper copies can be provided upon request.

Legal and regulatory requirements dictate that medications dispensed as stock must be distributed by a licensed drug wholesaler. Vendor is a Licensed Wholesaler in Pennsylvania and in all states in which it operates and distributes medications. Vendor will fully comply with all wholesale and repackaging requirements.
Vendor’s wholly owned subsidiary, RemedyRepack is an FDA Registered Repacker, which permits it to legally distribute stock medications in 30 count blister packs as opposed to bulk bottles.

Vendor will maintain Verified-Accredited Wholesale Distributor (VAWD) designation.

2.7 Invoicing

Vendor will invoice a minimum of once a month or more frequently upon request. Each invoice will detail all charges for the current month, any unpaid balances, and any credits issued in the current month. Payment terms will be net 30 days.

Invoices will be provided in Excel, in the format of Facility choice including FTP-site download, hard copy, or CD-ROM. Invoices will include the contract number and/or purchase order number. Each line item will contain a prescription number, patient name and identification number, medication name and strength, quantity dispensed, price, NDC number, date the prescription was dispensed, prescriber name, and credits.

Invoices will be individually printed and billed directly for each patient or other jurisdiction such as for federal government agencies including U.S. Bureau of Prisons (BOP), U.S. Immigration and Customs Enforcement (ICE), U.S. Marshals Service (USMS), and for counties other than the one in which the inmate is housed. Vendor will bill compensation orders, medical assistance, health insurance, AIDS drug assistance programs (ADAP), or other payment sources if the patient is eligible, if permitted to bill, and if Vendor receives billing information at the time of dispensing. Medications invoiced to other payers will be billed at the Pennsylvania Medicaid rate. If these invoices are not paid within 90 days, the contracted Facility will be responsible for all charges at the agreed upon Facility’s rate, and Vendor will cease billing the alternate payers. Invoices for residents of long-term care or assisted living facilities will be billed in the same itemized manner.

Credits (for correctional accounts) will be individually listed, showing the amount of credit for each item. Vendor will provide a printout of all issued credits, alphabetized by patient name and including prescription number, date, medication name, quantity returned, and amount of credit issued.

Vendor will invoice facilities for any backup and delivery charges in an itemized format.

Customized invoice reports will be available. Data in the invoices will be sorted according to the Facility’s such as by inmate/patient name, medication name, medication category (psychotropic, HIV, etc.), dispense date, physician, or cost.
2.8 Value Added Services

A. Independent Auditing of Vendor’s Invoices

By January 15, 2014, Vendor will contract with eAudit Solutions, Inc., to provide independent auditing of Vendor’s invoices to Member Facilities. Vendor will provide eAudit Solutions, Inc. a monthly electronic file of all of its invoices to Member Facilities. At a minimum, the file will contain:

- Customer Name
- Diamond’s Customer Number
- Order/Invoice Number (if applicable)
- Bill to Address
- Bill to City
- Bill to State
- DEA
- HIN
- NDC
- Product Name
- Quantity Dispensed
- Wholesaler Acquisition Cost (WAC (as published by Cardinal Distribution), if applicable)
- Actual Acquisition Cost (AAC, if applicable)
- Price of drug (Quantity dispensed * WAC or AAC price per unit)
- Discount Applied to the Prescribed Pharmaceuticals (WAC -5% for single source products, WAC -80% for multsource products, or $0 for AAC products)
- Invoiced Price (Quantity Dispensed * (Price of drug - Discount Applied) or AAC+$2.50)
- Average Daily Population (as reported by the Member Facility)
- Dispensing Fee Charged

eAudit Solutions, Inc., will audit the file within two business days and provide to Vendor and MMCAP a copy of its findings. In the event eAudit Solutions, Inc. discovers a discrepancy in either the cost of the prescription or dispensing fee, Vendor will work with MMCAP to resolve the discrepancy, however payment will still be made from Facility to Vendor when due.

In the event Vendor and eAudit Solutions, Inc., do not come to an agreement to provide these services Vendor will find a mutually acceptable independent auditing service. If the parties to this Agreement cannot agree upon an independent auditor the administrative fee paid to MMCAP will be increased to 3% of the dispensing fee.

B. Overview of Online Reporting Program (For MMCAP Correctional Member Facilities)—Vendor will provide an Online Reporting Program (ORP) that is a robust web-based patient profile-reporting tool. Users will have various reporting options as well as multiple ways to view, sort, and print the dispensed data based on specified parameters.
C. Management Reports

Vendor’s statistical reports are a modular combination of Excel charts, graphs, figures, and reports that help illustrate monthly expenditures and usage, as well as prescribing habits and trends. The system currently contains over 300 available reports and charts, as well as over 400 yearly trending figures. Vendor customizes and creates reports to meet the needs of each Facility.

D. Vendor’s standard reports:

**Patient Census**—Graphically presents the number of inmates in the Facility receiving medical care (Report is provided monthly and includes trends.)

**Total Monthly Cost**—This report provides the gross total cumulative amount of Vendor’s invoices to the Facility by month. The total includes all stock and prescription medications, formulary and non-formulary drugs, health-care supplies and the costs of any STAT deliveries. (The report includes trend information.)

**Total Monthly Costs Less Credits**—This report uses the data compiled for the Facility’s gross cumulative total by month and deducts any credits that were issued for returned medications, healthcare supplies, etc. (The report includes trend information.)

**Total Monthly Cost per Patient Less Credits**—This report is the Facility’s net invoiced cumulative total costs per month divided by the number of patients receiving care that month (This report includes trend information.)

**Total Non-Formulary Prescription Orders**—On a monthly basis, the site is provided the number of non-formulary orders shipped to the Facility (This report includes trend information.)

**Non-Formulary Costs**—Not only will the Facility know how many non-formulary prescriptions it is receiving, is also will know how much it is spending on a cumulative basis, each month for these medications (This report includes trend information.)

E. Medication Carts.

Vendor will offer to provide locking medication carts on loan based on average prescriptions dispensed and cart capacity for the secure storage, transportation, and administration of all medications and supplies based on the Facility’s size and number of patients serviced.

Vendor’s carts are top-of-the-line, durable, lightweight, and narrow for easy maneuverability throughout correctional facilities and contain:

- Three blister card drawers
- A 3-inch high drawer (for storage of topicals, ophthalmics, etc.)
- A separate, locked narcotic box
- Convenient features such as an extension table, an attached cup holder, an attached MAR holder, and a trash receptacle
Vendor’s locked narcotic box meets all Drug Enforcement Administration (DEA), State Board of Pharmacy, and State Board of Nursing requirements related to the provision of a double-locked storage area.

Medication carts vary in size, style, and options based on availability at the beginning of or throughout the agreement. Medication carts are provided on loan for the duration of the agreement when the Facility orders all medications from Vendor. Vendor will provide maintenance and parts for the carts and will replace the carts when necessary.

**F. Reference Materials**—Vendor will provide medication information and educational materials to prescribers, nurses, officers, and patients on topics such as medication therapies, side effects, and proper administration of medications. Vendor provides most of the following items free of charge:

**G. Video Library**—Vendor has an extensive healthcare video lending library containing over 300 videos on various medical-related topics. These videos are available for the Facility’s use. Available videos are at various educational levels and contain information appropriate for inmates, security, nurses, and prescribers. Some of the most popular topics include IV infusion, medication information, nursing skills, respiratory issues, universal precautions, HIV, and diabetes. Videos can be borrowed, viewed by the Facility personnel, and returned to Vendor when finished, free of charge.

**H. Newsletters**—Quarterly company newsletters, written by Vendor pharmacists and guest industry experts, include articles and reviews on new medications, current disease strategies and therapies, operational procedures, formulary management, disease state reviews, and Vendor company news.

Vendor’s Quarterly HIV and Hepatitis Newsletter is written by a Vendor Certified AAHIVM Pharmacists Experts. This newsletter provides a wealth of knowledge and information specific to HIV and Hepatitis therapy.

**I. Product and Regulation Announcements**—Vendor provides information on new medications, generic medications, therapies, side effects, proper administration of medications, etc. In addition, Vendor automatically sends memos to the Facilities when a medication’s color or imprint changes or when new generics are released. Regulatory information is sent to facilities as soon as it is issued.

**J. Monographs**—Prescription monographs are available and can be printed at Facility level from Vendor’s web based Sapphire eMAR software in English or Spanish, if requested. These monographs outline the medications’ classification, usage, administration, and side effects. They provide the most accurate and timely information regarding medication classifications, usage, administration and side effects in an easy to read format.
K. Reference Manuals—As needed, Vendor provides facilities with medication reference materials that are available for free from manufacture or governmental sources such as controlled substance lists, list of medications that should not be crushed, metric conversions, poison antidotes, medications that cause heat sensitivity, medications that cause photosensitivity, and poison prevention hotline information. Reference books and publications, such as Physicians Desk Reference (PDR), Nursing Drug Handbooks, etc., can be purchased through the Vendor at Vendor’s actual acquisition cost plus dispensing fee plus shipping.

L. 340B (For MMCAP Correctional Member Facilities That Are Eligible)—Vendor currently provides 340B services to correctional facilities and will work with Facility to discuss if it is a viable option for the member Facility. 340B dispensing and service fees will be negotiated on a case by case basis. MMCAP will be informed of all final pricing.

M. Commissary—Vendor will dispense/distribute over-the-counter (OTC) commissary items. Each package is labeled with medication directions, side effects, ingredients, and all required information that are to be contained on OTC packaging.

N. Electronic Reconciliation System (For MMCAP Correctional Member Facilities)—Electronically tracking the reconciliation of orders (as well as credits) using individualized, secure user IDs and passwords will minimize the diversion of medications both received and returned, as each session is captured electronically. Access to the Vendor’s reconciliation program allows the Facility to see its order as it builds each day, with the items due to ship and the items that cannot be shipped. Reasons for an item not shipping include the refill is too soon, order does not have a refill, medication is on manufacture backorder, and order needs non-formulary approval. The Facility can proactively manage Facility medication orders by viewing its daily order.

O. Inspections—Vendor’s fully credentialed licensed pharmacist or a locally credentialed licensed pharmacist will conduct inspections of Facility’s medication rooms, per the fee outlined in Section 9, that are required by contract or local regulations, or are needed to maintain accreditation, if requested at a rate of $75.00 per hour. The inspection helps to ensure that the Facility complies with all relevant federal, state, local, and pharmacy laws and regulations; the Controlled Substance Act; the respective State Board of Pharmacy; state statutes; and National Commission on Correctional Health Care (NCCHC), American Correctional Association (ACA), Verified-Accredited Wholesale Distributor (VAWD), and the Joint Commission requirements and standards.

Vendor’s two-page inspection sheet is based on NCCHC, ACA, and Joint Commission standards and Vendor’s experience in the correctional industry. Vendor abides by all recommendations set forth by these organizations, as well as all applicable federal, state, and local rules and regulations.

During the inspection, a Licensed Pharmacist reviews the following:

- The cleanliness and organization of the medication rooms
- Medication ordering, charting, documentation, inventory, and record keeping
- Narcotic and sharps record keeping and counts
- The presence or absence of outdated, discontinued, or recalled medication
- Medication distribution and med pass procedures
- The contents of the emergency (ER) kit and/or crash cart
- Refrigerator temperature and contents
- Stock levels
- The pharmaceutical care of patients
- Medication utilization and individual therapies
- Appropriate storage and security of medications and supplies
- Periodic reviews/stop dates of controlled substances and commonly abused drugs
- Presence and appropriate use of formulary
- Existence of and compliance with appropriate policies and procedures for medications
- Current reference materials such as the Physicians’ Desk Reference (PDR), Nursing Drug Handbook (NDH), poison control center information, do-not-crush lists, etc.

Upon completion of the inspection report, which includes recommendations, corrective actions, and observations, the pharmacist and nurse, or nurse designee, sign and date the report and file it in the medical room for reference. A copy is also maintained at Vendor.

The results of the audit are discussed with the nursing supervisor, designee, or site administration following the inspection. Summaries of the inspections are reported during pharmacy and therapeutics (P&T) meetings. On subsequent inspections, Vendor reviews all previous recommendations to ensure compliance and to ensure that corrective action was taken.

Vendor further assists the Facility with the accounting, reconciliation, disposal, and removal of unused medications, including controlled substances, as defined by federal, state, and local rules and regulations. Count sheets are provided for strict accountability and all documentation is enforced as required by law.

Long-term care and assisted living Facility guidelines established by state boards of pharmacy, departments of health, and the Center for Medicare & Medicaid Services (CMS) are followed when providing Facility chart reviews and consulting requirements. Individual Facility needs are specific to their location and the level of medical care provided, and Vendor has the extensive knowledge and experience required to ensure all rules and regulations regarding inspections and consulting requirements are followed.

**P. Orientation**—When Vendor begins servicing a new Facility, it will implement an off-site competency based training schedule and orientation program for Vendor’s Pharmacists as well as any other Vendor personnel that will be involved with Facility contract management. Prior to implementation, Vendor will have several internal staff meetings to fully review Facility requirements and how they best apply to Facility specific facilities’ needs.
Vendor’s startup manual has detailed explanations of all medication management procedures and Vendor’s electronic programs are supported by program specific user manuals that are reviewed during the initial training. During these orientation meetings, Vendor will review all of the policies and procedures that are detailed in Vendor start-up manuals regarding medication management.

**Q. Transition**—The goal is to facilitate a smooth transition from a Facility’s current provider to Vendor, Vendor will establish the following (with a preference of 30-45 days’ notice):

- Ensure a seamless transition in medication delivery services.
- Ensure prompt delivery of all manuals, forms, and start-up material/equipment.
- Train Facility pharmacy staff in the use and implementation of all aspects of the medication receiving, distribution, and tracking systems.
- Maintain a 24-hour helpline for troubleshooting issues that arise and will actively follow-up with staff. For MMCAP correctional member facilities using Sapphire, Vendor will assist Facility staff in verifying technical requirements, coordinating data population, and training Facility staff in the use of the system.
- Facilities will be required to complete the following document to complete initial set up:
  - Sapphire Operational Guidelines, which is attached and incorporated.
Vendor’s transition plan will provide a telephone or on-site start-up schedule to each Facility.

**R. Additional Products and Services**—Vendor offers a complete line of competitively priced services including the following:

- **Healthcare Products**—Aspirin, Tylenol, shampoo, soap, hand lotions, disinfectant cream, toothpaste, individual unit-dose packets, etc.
- **Respiratory Therapy Services**—Access to Vendor’s on-staff respiratory therapists and technicians and a complete line of products and equipment.

**2.9 Pricing**

**A. Products.** Correctional accounts will be based on a discount from the published Cardinal Distribution wholesale acquisition cost (WAC) plus a dispensing fee per prescription and stock piece. Cardinal utilizes First Databank as a primary source, in the event there is no WAC pricing available from First Databank Cardinal will develop its own WAC pricing.

- Brand name and single-source products will be dispensed at a price per unit rate of WAC minus 5% plus a dispensing fee per prescription and stock piece. Single-source medications are defined as brand name or generic entities that are provided from a single manufacture source.
- Generic multi-source products will be dispensed at a price per unit rate of WAC minus 80% plus a dispensing fee per prescription and stock piece.
Prescriptions will not be sold below cost. In the event that the discount to WAC causes the medications to fall below cost, those medications will be billed at Vendor’s Actual Acquisition Cost (AAC) plus $2.50 plus the dispensing fee per prescription and stock piece as determined by the Facility’s ADP. AAC is defined as Vendor’s upfront medication cost at the time of dispensing.

Intravenous (IV) medications will have an additional dispensing fee of $7.00 per bag.

Total Parenteral Nutrition (TPN) medications will be billed at AWP of each ingredient plus $75 per bag.

Compounded IV medications, specialized vaccines, chemotherapy, blood products, special compounds, dropped shipped items and certain other specialty items, etc. are billed at Average Wholesale Price (AWP) plus $4.00 per piece.

Long Term Care and Assisted Living Facility rates will be negotiated on an individual basis.

Medications dispensed under a 340B program are not covered under this agreement, but will be billed under a separately negotiated rate (to be determined) if Vendor is able to successfully establish a program with Facility and a covered entity.

Any costs for M/W/DBE (Minority-Women’s-Disadvantaged Business Entity) program management are not covered under this agreement, but can be separately negotiated.

Dispensing through automated dispensing units/cabinets are not covered under this agreement, but can be negotiated separately.

Backup pharmacy services will be billed as a pass-through cost at the contracted backup pharmacy’s negotiated rate—as billed through a pharmacy benefit management (PBM) company—plus the backup pharmacy’s delivery charge or on-call charge, or the taxi or courier charge, if applicable. As each backup Facility negotiates its own rate, Vendor cannot quote an exact cost until a direct negotiation occurs on behalf of the member Facility with the backup pharmacy provider. No backup agreements will be entered into until the member Facility reviews and approves the negotiated rate for backup services.

Payment by credit card or purchase card will be assessed a 3% convenience fee.

The Facility is responsible for all applicable sales, use, lease, ad valorem, and any other tax that may be levied or assessed by reason of this transaction, unless the Facility provides a tax exemption certificate (blanket or transaction specific) to Vendor in a timely manner.

The above rates include the following services at no additional charge:

- Start-up in-service and ongoing training
- A pharmacist account manager serving as the primary contact
- A registered pharmacist for on-site inspections where required by contract, law or accreditation—Any on-site inspections, consultations, or participation in committee meetings will be billed as a pass-through cost for time spent at the Facility at a rate of $75.00 per hour.
- A dedicated pharmacy technician in-house at Vendor’s pharmacy.
- Medication carts on loan for the duration of the contract
Fax machines for the duration of the contract on loan—Facility may purchase fax cartridges/toner cartridges from Vendor at AAC plus dispensing fee per cartridge/toner or the Facility can procure these items on their own.

Sapphire Pharmacy Software program including computerized physician order entry (CPOE), electronic medication administration records (eMAR), inventory and order reconciliation module. Hardware and internet connection will be the responsibility of the Facility.

Access to Vendor’s web file manager financial reporting
Startup in-service on Sapphire and ongoing training
Access to Vendor’s web-based reconciliation program
Access to Vendor’s web file manager financial reporting
Access to Vendor’s Online Reporting Program (ORP)
Access to Vendor’s industry-leading clinical pharmacists and specialists
24/7/365 telephone consulting
Monthly and ad hoc reports
Traditional and electronic MARs
Labeling, packaging, and delivery of medication to a member Facility. Shipping and delivery fees are outlines specifically within this Agreement and are included as part of the dispensing fee for facilities in the lower 48 United States. For facilities located in Alaska and Hawaii, shipping charges invoiced to Vendor by a common carrier such as UPS, FedEx, and the USPS will be billed at list pricing.

Any information technology (IT) costs associated with EHR/EMR software interfaces and hardware will be billed as a pass-through charge.

In LTC and assisted living facilities, eMAR, MARs, treatment sheets, and other paperwork will be billed as a pass-through charge.

Stock will be provided for correctional facilities in 30-count blister card packaging. If a Facility uses a large volume of stock, Vendor may exercise the option to ship stock items via ground shipping.

Backup pharmacy costs, along with any courier fees, will be billed as a pass through charge, generally at its average PBM rate, with no additional markups. Backup pharmacy services will be billed at the contracted backup pharmacy’s rate—as billed through a pharmacy benefit management (PBM) company—assuring a competitive rate, plus the backup pharmacy’s delivery charge or on-call charge, or the taxi or courier charge, if applicable.

Facilities in Alaska and Hawaii will pay list-shipping costs from either UPS or FedEx, based on the carrier selected.

As required by the Center for Medicare and Medicaid Services (CMS), any inspections and chart reviews conducted at a long-term care or assisted living Facility will be billed for time consulted as a pass-through charge.
Routine maintenance medications will be dispensed in a quantity not to exceed a 30-day supply per dispensing. Solid medications typically are dispensed in 30-count blister cards with one unit per bubble.

Vendor will retain and reserves all rights, title, use, control, interest in and ownership of its assets including, but not limited to, its software, reporting, packages, and user documentation; operations, procedures, and strategies; formulary and clinical services; manufacturer, wholesaler, group purchase, and Vendor contracts and resultant data and information; patient, claims, benefits management and drug utilization information; trademarks and service marks.

**B. Dispensing Fee**—Dispensing fee per prescription and stock piece will be based on the Average Daily Population (ADP) of each individual Facility which Vendor ships to, according to the following table:

<table>
<thead>
<tr>
<th>Facility Average Daily Population (ADP)</th>
<th>Dispensing Fee per Prescription and Stock Piece</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-500</td>
<td>$4.50</td>
</tr>
<tr>
<td>501-2,500</td>
<td>$3.50</td>
</tr>
<tr>
<td>2,501–50,000</td>
<td>$3.00</td>
</tr>
<tr>
<td>50,0001+</td>
<td>$2.50</td>
</tr>
</tbody>
</table>

ADP is to be determined by adding up the daily inmate census per day for each calendar day of a respective month and divide that total by the number of calendar days in that respective month.