

THE STATE OF TEXAS §
§
COUNTY OF HIDALGO §

**SERVICE CONTRACT
C-08-209-07-22**

THIS CONTRACT is made and entered into this **22nd** day of **July, 2008** by and between the **County of Hidalgo, Texas** ("County"), and **DataRx Management, Inc.**, a Texas Corporation. ("Company").

WHEREAS, Company responded to advertised notices for proposals for "**Prescription Drug Discount Card**" (the "Services"); and

WHEREAS, Company submitted a proposal to provide services in accordance with the specifications as proposed, a copy of such specifications and proposal being attached hereto as Exhibits "A" and "B" respectively, and incorporated herein for all purposes (the "Specifications"); and

WHEREAS, in recognition of and in consideration of Company's agreement to perform the Services in accordance with Specifications, the Commissioners Court of County awarded the proposal to Company.

NOW, THEREFORE, in mutual consideration of the foregoing and the further consideration of the following, the parties hereto agree as follows:

1. County and Company hereby agree that this Contract is entered into in order to provide the Services to locations within **Hidalgo County**.
2. Company hereby promises and agrees to render and provide, during the term of this Contract, and shall be obligated to render and provide the services in accordance with the Specifications. Company agrees in performing the Services that it will use proper professional

standards, comply with any and all appropriate laws and regulations in providing the Services, and devote such time as is necessary to safely and efficiently provide the Services.

3. This Contract shall be for a period of one (1) year, with the County's at its sole option to renew/extend for or up to an additional two (2) one (1) year term. County also reserves the right to continue this proposal for an additional sixty (60) day Grace Period, under the same rates terms and conditions.

4. As a condition of this Contract, Company shall hold and maintain throughout the term of this Contract all licenses and permits required, or which may be required by any authority during the term hereof to provide the Services.

5. All vehicles operated by the Company to perform the Services shall contain all equipment required by any authority to operate on streets and roads and all persons in the employment of Company who operate such vehicles shall have the required licenses, qualifications, skill and expertise to perform such Services and shall comply with all laws, rules and regulations prescribed by any agency or authority having jurisdiction with regard to the operation of such vehicles in providing the Services.

6. As consideration for rendering the Service provided for in this Contract, Company shall not charge the County.

7. Company shall provide insurance in force on all its vehicles and all persons connected with providing services under this Contract naming County as an additional insured (with the coverages and in the amounts described on Exhibit "C" attached hereto and incorporated herein at this point for all purposes), and shall furnish to County certificates of such insurance coverage.

8. Company shall provide a sufficient number of trucks, vehicles, personnel and equipment available to safely and efficiently provide the Services.

9. Company shall indemnify and hold harmless County, its elected officials, employees and agents from any and all claims, damages, losses, and expenses including attorney's fees for the defense of any action against County arising out of, resulting from, or connected with the provision of the Service by Company under this Contract. Said indemnity shall cover any act or failure to act by the Company, its agents or employees.

10. This Contract shall not be assignable in whole or in part by either party without prior written consent of the other party.

11. It is expressly agreed that this Contract and the performance by the parties hereunder does not create any agency relationship or master-servant relationship, that County has no supervision of the performance of the Services provided by Company, and that Company is an independent contractor under this Contract.

12. Any notice required or permitted to be given hereunder shall be in writing and shall be delivered personally or sent by certified mail, postage prepaid, as set forth below:

If to County: **The County of Hidalgo**
 Attn: County Judge
 100 E. Cano
 Edinburg, Texas 78539

If to Company **DataRx Management, Inc.**
 Attn: Brian B. Vossler, Dir of Sales/Marketing
 305 W. Woodard Street, Ste. 220
 Denison, Texas 75020

13. In case any one or more of the provisions contained in this Agreement shall for any

reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision thereof and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.

14. This Agreement may be terminated by either party without cause upon thirty (30) days written notice.

15. This Agreement shall be binding upon and inure to the benefit of and be enforceable by the parties hereto and their respective heirs, executors, administrators, legal representatives, successors, and assigns where permitted by this Agreement.

16. This Agreement shall be governed by and construed in accordance with the laws of the State of Texas and shall be performable in Hidalgo County.

WITNESS our hands in duplicate originals this 9th day of Oct, 2008.

APPROVED BY COMMISSIONERS COURT ON: JULY 22, 2008

APPROVED AS TO FORM:

Atlas & Hall, LLP

By: [Signature]
Stephen L. Crain

ATTEST:
[Signature]
Arturo Guajardo, Jr., County Clerk

COUNTY OF HIDALGO

By: [Signature]
Juan D. Salinas, III, County Judge

COMPANY: DataRx Management, Inc.

By: [Signature]

Printed Name: Bridget E. Kossper

Title: VP Sales & Marketing

EXHIBIT "A"
SPECIFICATIONS
(SCOPE OF SERVICES)

EXHIBIT A

“PRESCRIPTION DRUG DISCOUNT CARD PROGRAM”

RFP NO: 2008-209-06-04-VYG

SCOPE OF SERVICES:

- Hidalgo County is seeking proposals for the development of a program for “Hidalgo County” in order to provide a prescription drug discount card.
- Hidalgo County is seeking information and proposals from qualified national firms/pharmaceutical(s), to provide a fee-based prescription drug card that can be provided by Hidalgo County as a “Goodwill Benefit” to seniors and the uninsured as well as to county employees. As a part of this “Request For Proposal”, there are a series of questions/requirements and specifications that any and all firms/pharmaceutical(s) are to respond, complete and comply to. Hidalgo County also encourages creativity and innovation. Consequently, Hidalgo County encourages firm/pharmaceutical(s) to provide additional information that will assist Hidalgo County in developing an excellent program at a competitive price. Each respondent is invited to submit information illustrating its qualifications, experience and capacity to deliver a discount prescription drug card program. Hidalgo County will also seek face-to-face meetings with each firm/pharmaceutical(s), both to confirm the qualifications of the firm/pharmaceutical(s) and to meet with the day-to-day team that will be working with Hidalgo County. Joint proposals or proposals that include sub-contracts for niche providers and minority- or women-owned enterprises are encouraged.
- Hidalgo County appreciates brevity and do not encourage firm/pharmaceutical(s) to provide substantial volumes of corporate reports or annual reports. Hidalgo County, however, encourage firm/pharmaceutical(s) to provide Hidalgo County with a list of existing local government clients.
- Describe your concepts for the creation of and/or existing prescription drug discount card program.
- What are the key elements of the program? What services are provided as part of the program?
- Describe the method by which a local government would contract for these services?
- Discuss what limits you would place on the program, especially as it pertains to size of entity services. For example, would you treat a county of 1,000 people differently than you would treat a county of 600,000 people?

- Describe your pricing methodology.
- What resources will you make available to Hidalgo County to assure the successful marketing and sale of this program to Hidalgo County.
- Identify and describe the day-to-day team you expect to work with Hidalgo County.
- Discuss your proposed fee-sharing arrangement with Hidalgo County.
- What specific resources do you expect Hidalgo County to provide to this effort?
- Describe your firm/pharmaceutical(s) past efforts to involve minority- and women-owned business enterprises in your industry. Are you willing to work with W/MBE groups on this program?
- Describe your firm/pharmaceutical(s) experience in working with local and national trade and professional associations with other Counties.
- Please outline any additional costs Hidalgo County might expect to pay outside your charges (e.g., reporting services fees, etc.). Will you provide tracking and data entry of card participants?
- Discuss your firm/pharmaceutical(s) capability with electronic communications, including processing claims over the Internet.
- Provide a list of local government clients you have worked with on similar programs or services. A partial list is acceptable. Indicate whether Hidalgo County may contact these clients for reference purposes.
- How do you propose to deal with existing clients if you are selected by Hidalgo County?
- Please provide a timeline for startup of this service.
- Provide your present licensing, bonding, and errors and omissions insurance status. Are you willing to accept specific limits as set by Hidalgo County? If not, what requirements would you consider reasonable for your industry?
- Provide a sample marketing plan that would outline Hidalgo County/Firm/Pharmaceutical(s) responsibilities specifically referring to direct mail, fax broadcast, collateral materials, etc.
- List major drug store chains and/or private pharmaceutical(s) networks that honor your card program.

- Address issues of inclusion of firm/pharmaceutical(s) not currently in your network (i.e. do you have processes in place to add non-participating firm/pharmaceutical(s) including local, privately owned firm/pharmacies).
- Will you enter into Hidalgo County's term contract including fee guarantees?
- What are your expected discounts for brand drugs?
- What are your expected discounts for generic drugs?
- What is your financial rating: Best S&P Duff Phelps?
- Provide your most recent Corporate Annual Report.
- Do you provide discounts for the following prescription drugs:
 - Lorazepam - 0.5mg
 - Furosemide - 40mg
 - Lanoxin - 0.125mg
 - Prilose - 20mg
 - Zoloft - 50mg
 - APAPI - code#3
 - Atenolol - 50mg
 - Trazodine - 50mg
 - Imdur - 60mg
 - Prozac - 20mg
 - Premarin - 0.625mg
 - Glucophage - 500mg
 - Metoprolol - 50mg
 - Kdur - 20mg EQ
 - Glyburide/Metformin HcL - 2.5/500mg
 - Diovan W/Hetz - 160/25mg
 - Simvastatin - 20mg
 - Uroxatral - 10mg
- Provide a sample pharmacy contract.
- What source of AWP do you use?
- How often do you update your system to AWP changes?
- Can you customize customer ID cards?

- Do you offer incentives to pharmacist or participants to maximize generic dispensing?
- Do you have a drug formulary drug rebate program?
- Can you interact with nursing home pharmacies for retirees?
- Can you interact with prisons for dispensing to prisoners?
- How is eligibility maintained and verified?
- Do you provide mail order?

Please inform Hidalgo County if something important from your perspective should be included.

EXHIBIT "B"

VENDOR'S PROPOSAL

THERE ARE NO FEES FOR THIS PROGRAM. PROJECT WILL BE AT NO COST TO THE COUNTY". PLEASE SEE EXHIBIT "A" AND ATTACHMENT "A" FOR FURTHER DETAILS.

ATTACHMENTS "A"

PRESCRIPTION DISCOUNT CARD PROGRAM RESPONSES BY DATARX MANAGEMENT, INC.

1. Describe your concepts for the creation of and/or existing prescription drug discount card program. What are the key elements of the program? What services are provided as part of the program?

Response:

We provide a discount on all drugs with an 11 digits NDC number. We maintain eligibility for tracking patient's prescriptions. Our discount cards get the same level of adjudication as our healthcare plans. Also, with our discount card, we will keep the business within the local community.

2. Describe the method by which a local government would contact for these services?

Response:

A local government may contact us by phone, fax or email. Our toll free number is (888) 714-4422. Our fax number is (903) 465-0799. Our email is supports@data-rx.com.

3. Discuss what limits you would place on the program, especially as it pertains to size of entity services. For example, would you treat a county of 1,000 people differently than you would treat a county of 600,000 people?

Response:

There are no limits placed on the program. The size of the county doesn't change the way we treat the county when pertaining to our discount card.

4. Describe your pricing methodology.

Response:

Our pricing methodology provides fair and competitive prices for the consumer as well as the pharmacy and we strive to keep the business local.

5. What resources will you make available to Hidalgo County to assure the successful marketing and sale of this program to Hidalgo County?

Response:

We will use all the resources we have to help promote this program in Hidalgo County. We are backed by several local pharmacy groups that have pledged to not only

support this program, but will help to get it up and running.

6. Identify and describe the day-to-day team you expect to work with Hidalgo County.

Response:

Our customer service department will be available 24-7 to assist with any problems that may arise. Our engineering and management staff will be available when necessary.

7. Discuss your proposed fee-sharing arrangement with Hidalgo County.

Response:

There are no fees for this program; this program is provided at no cost to the county.

8. What specific resources do you expect Hidalgo County to provide to this effort?

Response:

We expect the County to help promote and distribute the discount card.

9. Describe your firm/pharmaceutical(s) past efforts to involve minority- and women-owned business enterprises in your industry. Are you willing to work with W/MBE groups on this program?

Response:

We are willing to work with W/MBE on this program. We currently work with numerous minority and women owned enterprises, many of which are located locally in Hidalgo County.

10. Describe your firm/pharmaceutical(s) experience in working with local and national trade and professional associations with other Counties.

Response:

We currently work with Cameron County and Denton County providing Pharmacy Benefits Management services for their indigent healthcare programs. DataRx also does business in all 50 states and Puerto Rico.

11. Please outline any additional costs Hidalgo County might expect to pay outside your charges (e.g., reporting services fees, etc.). Will you provide tracking and data entry of card participants?

Responses\:

There are no fees for this program; this program is provided at no cost to the county. We will provide tracking and data entry of card participants.

12. Discuss your firm/pharmaceuticals(s) capability with electronic communications, including processing claims over the internet.

Response:

DataRx currently processes over three million claims per month over the internet.

13. Provide a list of local government clients you have worked with on similar programs or services. A particle list is acceptable. Indicate whether Hidalgo County may contact these clients for reference purposes.

Response:

We currently work with Hidalgo County on the county indigent healthcare program. We also work with Cameron County on the county indigent healthcare program. You may contact these clients.

14. How do you propose to deal with existing clients if you are selected by Hidalgo County?

Response:

If we are selected by Hidalgo County it will have no bearing on our existing clients. We treat all of our clients with the utmost professionalism.

15. Please provide a timeline for startup of this service.

Response:

If DataRx is selected by Hidalgo County, we anticipate the shipment of prescription cards within 24 hours.

16. Provide your present licensing, bonding, and errors and omissions insurance status. Are you willing to accept specific limits as set by Hidalgo County? If not, what requirements would you consider reasonable for your industry?

Response:

See other attachments as part of this RFP. DataRx is willing to accept all reasonable specific limits as set by Hidalgo County.

17. Provide a sample marketing plan that would outline Hidalgo County/Firm/Pharmaceuticals(s) responsibilities specifically to direct mail, fax, broadcast, collateral materials, etc.

Response:

Since anyone in Hidalgo County is eligible, the cards may be disseminated to anyone you choose. The local pharmacy network will be supporting and promoting this program as well. Additional marketing efforts may include radio and print public service

announcements to the local media.

18. List major drug store chains and/or private pharmaceutical(s) networks that honor your card program.

Response:

Our card is honored by most major chains including Wal Mart, Walgreen's, CVS, Rit Aid, Target, HEB, Kroger's and Albertsons to name a few. However, we would like to keep the network restricted to the local independent pharmacies. Most of the independent pharmacies in Hidalgo County accept our card.

19. Address issues of inclusion of firm/pharmaceutical(s) not currently in your network (i.e. do you have processes in place to add non-participating firm/pharmaceutical(s) including local, privately owned firm/pharmacies).

Response:

We can add a non-participating pharmacy to our network in a matter of minutes.

20. Will you enter into Hidalgo County's term contract including fee guarantees?

Response:

Yes, we will enter into Hidalgo County's term contract. There are no fees for this program; this program is provided at no cost to the county.

21. What are your expected discounts for brand drugs?

Response:

Brands are discounted at an effective rate of 11-15% off of retail.

22. What are your expected discounts for generic drugs?

Response:

Generics are discounted at an effective rate of 30% off retail.

23. What is your financial rating: per S&P Duff Phelps?

Response:

24. Provide your most recent Corporate Annual Report.

Response:

DataRx is privately held company. Specific financial data may be release upon

request.

25. Do you provide discounts for the following prescription drugs:

- Lorazepam-0.5mg
- Furosemide-40mg
- Lanoxim-0.125mg
- Prilose-20mg
- Zoloft-50mg
- APAPI-code#3
- Atenolol-50mg
- Imdur-60mg
- Prozac-20mg
- Premarin-0.625mg
- Glucophage-500mg
- Metoprolol-50mg
- Kdur-20mg EQ
- Glyburide/Metformin HcL-2.5/500mg
- Diovan W/Hctz-160/25mg
- Simvastatin-20mg
- Uroxatral-10mg

Response:

Yes, we provide discounts for all drugs that have an 11 digit NDC number.

26. Provide a sample pharmacy contract.

Response:

See attachment.

27. What source of AWP do you use?

Response:

Medispan

28. How often do you update your system to AWP changes?

Response:

We update our pricing weekly.

29. Can you customize customer ID cards?

Response:

Yes, but rebates are not applicable to discount cards.

30. Do you offer incentives to pharmacist of participants to maximize generic dispensing?

Response:

Yes. The pharmacy's profit level is higher on generics.

31. Do you have a drug formulary rebate program?

Response:

Yes, but rebates are not applicable to discount cards.

32. Can you interact with nursing home pharmacies for retirees?

Response:

Yes.

33. Can you interact with prisons for dispensing to prisoners?

Response:

Yes.

34. How is eligibility maintained and verified?

Response:

Eligibility is maintained automatically. The patient is enrolled as a process of the first filled prescription.

35. Do you provide mail order?

Response:

We can, however, we prefer to keep the money local, with the independent pharmacies that can facilitate 90 day fills.

EXHIBIT "C"
INSURANCE REQUIREMENTS