

CLIENT NETWORK SERVICES AGREEMENT

For the Implementation of HealthMapRx

This Services Agreement (this "**Agreement**") is entered into as of January 1, 2010 (the "**Effective Date**") by and between Texas Pharmacy Association ("the Network"), a Texas non-profit corporation and Williamson County, Texas ("the **Employer**") a political subdivision of the State of Texas. In this Agreement, individually, the Network and Employer may each be referred to as a "**Party**," and collectively they may be referred to as the "**Parties**."

BACKGROUND

The Network offers programs that help individuals with certain medical conditions improve their health outcomes, by providing education and assessment opportunities during periodic clinical interventions. Through use of its proprietary clinical protocol, forms, educational materials, and web-based documentation system, the Network enables employers and health plans to implement, manage, and administer one or more modules of the Network program for the benefit of their employees and beneficiaries.

Employer offers a self-funded health insurance plan, making Employer both a "health plan" and a "covered entity" (both as defined in 45 C.F.R. Section 160.103) for purposes of the Health Insurance Portability and Accountability Act of 1996 and its implementing regulations, as amended from time to time (collectively, "**HIPAA**"). All of Employer's current and former employees, as well as their family members and dependents, who are covered by the Employer health plan are collectively referred to as the "**Beneficiaries**."

Employer desires to engage the Network to support the implementation and administration of a HealthMapRx program for qualified Beneficiaries, and the Network desires to accept such engagement, subject to the terms and conditions set forth in this Agreement. To allow it to perform its obligations under this Agreement, the Network will be acting as a "business associate" to Employer (as defined in 45 C.F.R. Section 160.103).

NOW THEREFORE, in consideration of the covenants, representations, and warranties in this Agreement, and for the mutual benefits to be derived from this Agreement, the Parties hereby agree as follows:

1. Definitions. The following terms shall have the meanings set forth below:

1.1 Affiliate means any corporate or non-corporate business entity that controls, is controlled by, or is under common control with a party to this Agreement. A corporation or non-corporate business entity shall be regarded as in control of another corporation or non-corporate business entity, if it possesses directly or indirectly, the power to direct or cause the direction of the management and policies of such corporation or non-corporate business entity, whether through voting, by contract or otherwise.

1.2 Claim means any and all liabilities and expenses whatsoever including, without limitation, claims, adversary proceedings (whether before a court, administrative agency or any other tribunal), damages (whether compensatory, multiple, exemplary or punitive), judgments, awards, penalties, settlements, investigations, costs, and attorneys fees and disbursements.

1.3 Participant means an employee or beneficiary covered under the health plan of the Client who has enrolled in HealthMapRx, as administered by the Network.

1.4 Credential means the self-management credential awarded to the participant after the successful completion of training and testing under the HealthMapRx, as administered by the Network.

1.5 Educator means a pharmacist who is a member of the Network or who the Network has arranged with to participate as a provider in the Network.

1.6 Foundation means the American Pharmacists Association Foundation, a District of Columbia Corporation, having offices at 1100 15th Street N.W., Suite 400, Washington, D.C. 20005.

1.7 Governmental Authority means the government of the United States of America, any other nation or any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government.

1.8 HIPAA means the Health Insurance Portability and Accountability Act of 1996 and all rules and regulations promulgated thereunder.

1.9 Health Management Program (“the Program”) means the HealthMapRx Program developed and copyrighted by the Foundation, to be implemented through the workplace and administered by the Network, for individuals who are eligible for and provided incentives to participate, such as are employed by or covered under the participating employer’s health plan, and whereby participants, through the coordinated efforts of employers, healthcare providers (including pharmacists, physicians, and certified diabetes educators), and health insurers, are educated using a standardized curriculum resulting in the award of a credential, to enable them to better manage their disease, resulting in healthier individuals, fewer hospitalizations, reduced medical expenses and reduced absenteeism.

1.10 Laws means all applicable provisions of all (i) constitutions, treaties, statutes, laws (including common law), rules, regulations, ordinances, codes or orders of any Governmental Authority, (ii) any consent, approval, authorization, waiver, permit, grant franchise, concession, agreement, license, exemption or order of registration, certificate, declaration or filing with, or report or notice to any Governmental Authority, (iii) orders, decisions, injunctions, judgments, awards, decrees of or agreements with any Governmental Authority.

1.11 **Outcome Data** means the aggregated, de-identified data that shows the impact of the health management program on Participants, Clients, Networks and Educators and how the HealthMapRx has changed behavior and clinical outcomes and had an impact on costs, quality measures, adherence to medication and therapy, hospital and emergency room costs, disease-related absenteeism and consumer satisfaction.

1.12 **Network** means the entity identified above which shall be responsible for administering the HealthMapRx program, maintaining the database, and providing services as set forth herein.

1.13 **Network Coordinator** means the representative designated by the Network hereunder.

1.14 **Term** has the meaning given such term in Section 7.1.

2. **Program Elements.** The parties hereto acknowledge and agree that the primary elements of the Program are to develop and implement through the workplace a system of care for participants, including the following:

2.1 Identifying and enrolling Participants in the Program that are covered by the Employer's health plan;

2.2 Identifying and entering into an agreement with the Network that will help Participants effectively manage their disease;

2.3 Conducting a preliminary assessment of each Participant's understanding of his/her disease for subsequent comparisons

2.4 Conducting a preliminary assessment of each Participant's health;

2.5 Conducting an educational and skills training program for each Participant;

2.6 Assessing each Participant's knowledge, skills and performance of their disease management during the training program and awarding a Credential;

2.7 Establishing and maintaining a confidential data collection mechanism and data source that can track Outcome Data for purposes of developing statistical comparisons of improved health and total health care savings over the life of the Program; and

2.8 Evaluating and reporting results of the Program.

3. **Program Implementation Schedule.** Employer shall implement a HealthMapRx program with one or more modules, as indicated on Exhibit A to this Agreement. The HealthMapRx program implemented pursuant to this Agreement will be referred to as the "**Program**." Key dates in the schedule for implementation of the Program will be specified on Exhibit A. The Parties agree to allow at least three (3) months following the Effective Date

before enrollment of Participants begins, so that the Parties can prepare for implementation of the Program. This preparatory period will be known as the **“Implementation Period.”** Enrollment of Participants in the Program will begin on the date mutually agreed by the Parties and identified on Exhibit A. The initial period during which Participants will be enrolled in the Program will be referred to as the **“Enrollment Period.”** The Enrollment Period will conclude on the **Program Launch Date**, which will be set by mutual agreement of the Parties and identified on Exhibit A. For reporting purposes, the course of the Program will be divided into **“Clinical Service Periods,”** each of which is one (1) year in duration. The Program Launch Date marks the start of the first (1st) Clinical Service Period. Each subsequent Clinical Service Period during the Term of this Agreement shall begin on the anniversary of the Program Launch Date.

If, at the time an Employer enters into this Agreement with the Network, such Employer has already implemented a HealthMapRx program that is in effect as of the Effective Date of this Agreement, terms relating to the Implementation Period and Enrollment Period will not apply and the Parties shall consider the clinical service and reporting cycle of the HealthMapRx program in effect when setting the Program Launch Date that will start the first Clinical Service Period under this Agreement.

4. Responsibilities of the Network

4.1 Process of Care. The **“Process of Care”** is the proprietary protocol trademarked under the HealthMapRx name for managing patients with diabetes and/or cardiovascular health risk factors, which includes educational materials provided to Participants as part of the Program, as well as a self-management credential, awarded to a Participant after his or her successful completion of training and assessment as part of the Program. The Network will make available to Employer the Process of Care for use in the Program. The Network hereby grants Employer a limited, non-exclusive, non-transferrable license to use the Process of Care for the purpose of implementing the Program in accordance with this Agreement, and to reproduce and distribute documents included in the Process of Care that are designated for distribution in connection with the Program, such as educational materials for Participants and documentation of the self-management credential awarded to any Participant. Employer shall have the right to sublicense its rights to use, reproduce, and distribute the Process of Care to the Network for the purposes described herein, subject to all limitations set forth herein, and Employer may reproduce and distribute the Process of Care as necessary to exercise this right to sublicense.

4.2 Network. The Network will identify one or more groups of pharmacists interested in providing educational and assessment services to Employer’s Beneficiaries under the Program. It is the responsibility of the Network to contract with one or more such groups to serve as the providers for the Program. These providers may participate in regularly scheduled training offered by The Network, which will instruct the Network in implementation of the Program and use of the Process of Care. The training offered by the Network does not include clinical certification or continuing education that pharmacists in the Network may require for licensure, or specialized training that may be a condition of participation in the Network.

4.3 Administration. The Network will make available to Employer forms that can be used to notify eligible Beneficiaries of the Program, market the Program, and enroll

Beneficiaries into the Program (the “**Materials**”). Included in the Materials will be an “**Authorization**” that will disclose to a Beneficiary the entities that will have access to his or her PHI (as defined in Section 8.1) and the potential uses of such PHI in connection with the Program, if the Beneficiary elects to enroll as a Participant in the Program. Although aspects of the Materials will be customized to provide information specific to Employer and the Program implemented pursuant to this Agreement, the Authorization may not be changed by Employer, and must be accepted as written, by Employer and each Beneficiary electing to enroll as a Participant, except to the extent required to comply with state law. The Network hereby grants Employer a limited, non-exclusive, non-transferrable license to use the Materials for the purpose of implementing the Program in accordance with this Agreement, and to reproduce and distribute the Materials as necessary to market and promote the Program and to enroll Beneficiaries into the Program. Employer shall have the right to sublicense its rights to use, reproduce, and distribute the Materials to the Network or an Agent (as defined in Section 5.1) for the purposes described herein, subject to all limitations set forth herein, and Employer may reproduce and distribute the Materials as necessary to exercise this right to sublicense. The Network will also consult with Employer, and any Agent designated by Employer regarding the Program implementation process, including coordinating Program implementation meetings.

4.4 Documentation System. The “**Documentation System**” is a web-based platform that can be used to maintain information regarding Participants in the Program. The Network will make available to Employer, and any Agent designated by Employer (if applicable) a Documentation System for Participant enrollment and documentation of the Network’s interactions with Participants. The Network hereby grants Employer a limited, non-exclusive, non-transferrable license to use the Documentation System for the purpose of implementing the Program in accordance with this Agreement. Employer shall have the right to sublicense its right to use the Documentation System to the Network or an Agent for the purposes described herein, subject to all limitations set forth herein. The Network may modify or replace the Documentation System from time to time in the Network’s reasonable discretion, provided that the Network will give reasonable advance notice to Employer of any material changes and provide training on any new Documentation System features as reasonably necessary.

4.5 Reporting. The Network will prepare and deliver to Employer Clinical Reports and a Participant Satisfaction Report, in accordance with Exhibit A to this Agreement. The Network will also analyze medical and pharmacy claims data provided by Employer or its Agents to prepare and deliver Financial Outcomes Reports, if Employer elects to receive such reports and indicates its decision on Exhibit A.

5. Employer Responsibilities.

5.1 Promotion of the Program and Participant Enrollment. Employer will determine eligibility criteria for the Program. Employer will prominently promote the Program among its eligible Beneficiaries, including without limitation, through voluntary employee meetings and information sessions, over the Employer’s intranet, or in a company newsletter. In its discretion, Employer may offer complementary diagnostic screenings to Beneficiaries, to assist in identifying those eligible for the Program. Upon an expression of interest from a Beneficiary, Employer will provide enrollment forms, including the Authorization, and support the Beneficiary in completing the enrollment process. The Authorization may not be changed by

Employer, and must be accepted as written, by Employer and each Beneficiary electing to enroll as a Participant, except to the extent required to comply with state law. If Employer determines that the Authorization must be modified due to state law, then Employer shall notify the Network of the revisions Employer proposes, and obtain the Network's approval of the revised Authorization before providing it to any Beneficiary. Upon completion of all necessary enrollment forms and signature of the Authorization by a Beneficiary, Employer will enroll the Beneficiary into the Program, making such Beneficiary a "**Participant**" in the Program. Employer may elect to delegate its duties to promote the Program and enroll Participants to the Network or an Agent, although Employer will remain primarily responsible for ensuring that each Participant signs an Authorization before being enrolled into the Program. An "**Agent**" is an entity properly contracted with Employer to provide services on behalf of Employer in connection with the Program, such as a third party administrator, pharmacy benefit manager, business coalition, or health care consultant. The relationship between Employer and any Agent, including documentation of such relationship in an appropriate contract (including a business associate agreement, as necessary) and management of the relationship, is the sole responsibility of Employer. The Network may interface with an Agent at Employer's instruction.

5.2 Incentives. Employer will provide incentives to Participants to participate in the Program, such as waived co-payments for medication and supplies.

5.3 Network Relations. Employer will enter into a services agreement and an appropriate business associate agreement with the Network to implement the Process of Care with all Participants. During the Term of this Agreement, Employer will abide by the terms of its agreement with the Network, including, without limitation, making all required payments to the Network in a timely manner.

5.4 Participant Data. If Employer elects to receive a Financial Outcomes Report, pursuant to Section 4.5, Employer will provide, or arrange for its Agents to provide, the data related to medical and pharmacy claims, as described on Exhibit C to this Agreement, in accordance with the terms of Exhibit C. The Network's obligation to provide Employer with a Financial Outcomes Report is expressly conditioned on the Network receiving all required claims data from Employer or its designated Agents.

5.5 Compliance. Employer shall be responsible for ensuring that the Program is implemented in compliance with all applicable state and federal laws, rules, and regulations, including but not limited to HIPAA and other laws relating to the privacy and security of personal data. Employer will be responsible for performing ongoing Program integrity and compliance monitoring, for implementing a grievance management process to adequately investigate and resolve any complaints regarding the Program, and for providing any required reporting related thereto.

6. Compensation.

6.1 Fees Specified on Exhibit A. Employer shall pay the Network in accordance with the fee provisions set forth on Exhibit A. The Network will issue invoices for fees payable to the Network pursuant to Exhibit A, and Employer shall pay each invoice within thirty (30) days of receipt.

6.2 Network Fees and Other Costs. As indicated in Section 5.3, Employer shall pay all fees payable to the Network for services performed in connection with the Program to the Network directly. Employer shall bear all other costs and expenses of marketing and implementing the Program during the Term of this Agreement.

6.3 Fees for Additional Services. Employer shall have the right to request additional services from the Network from time to time. The Network will provide Employer with a quote for such services upon request. No such services shall be performed until the Parties have agreed in writing on the scope of services to be performed and the fees to be paid by Employer in an amendment or an addendum to this Agreement.

7. Term and Termination.

7.1 Term. Unless this Agreement is terminated earlier in accordance with the following provisions, the initial term of this Agreement (the "**Initial Term**") shall commence on the Effective Date and shall continue through the end of the second (2nd) Clinical Service Period. The Initial Term will include two (2) Clinical Service Periods, each of which is one (1) year in length, as well as the Implementation Period and the Enrollment Period. Upon the conclusion of the Initial Term, this Agreement shall automatically renew for successive renewal terms of one (1) year each (each, a "**Renewal Term**"), each of which will comprise a Clinical Service Period, unless either Party provides written notice of its intention not to renew the Agreement to the other Party at least ninety (90) days prior to the expiration of the Initial Term or then-current Renewal Term. Collectively, the Initial Term and all Renewal Terms will constitute the "**Term**" of this Agreement.

If, at the time an Employer enters into this Agreement with the Network, such Employer has already implemented a HealthMapRx program that is in effect as of the Effective Date of this Agreement, then the Initial Term of this Agreement will include only one (1) Clinical Service Period, and it shall commence on the Effective Date and continue through the end of the first (1st) Clinical Service Period.

7.2 Termination.

7.2.1 With Cause. Either Party may terminate this Agreement for cause, if the other Party materially defaults in the performance of its obligations under this Agreement and fails to cure such default in a timely manner. The non-breaching Party shall provide the breaching Party thirty (30) days advance written notice of its election to terminate, specifying the nature of the default(s). Unless the breaching Party cures the specified default(s) to the satisfaction of the non-breaching Party within the thirty (30) day notice period, the non-breaching Party may terminate the Agreement on or after the conclusion of the notice period.

7.2.2 Without Cause. Employer may terminate this Agreement for convenience and without cause or further liability upon thirty (30) days written notice to the Network. In the event of such termination, it is understood and agreed that only the amounts due to the Network for services provided and expenses incurred to and including

the date of termination, will be due and payable. No penalty will be assessed for Employer's termination of this Agreement for convenience.

7.2.3 Bankruptcy Event. This Agreement shall be automatically terminated in the event either Party becomes subject to a proceeding in bankruptcy, whether voluntary or involuntary, which is not dismissed within ninety (90) days.

7.4 Payments Upon Termination. Upon expiration or termination of this Agreement for any reason, the Parties shall make any further payments that may be due and payable as of the date of expiration or termination.

7.5 Survival. All provisions of this Agreement that expressly, or by their nature, survive the expiration or termination of this Agreement shall so survive, including but not limited to the provisions of Section 7 (Term and Termination), Section 8.4 (Outcome Data), Section 9 (Intellectual Property), Section 11.5 (Performance Warranty and Disclaimer), Section 12 (Indemnification), with respect to events that occurred prior to expiration or termination, Section 13 (Limitation of Liability), Section 15 (Dispute Resolution and Remedies), and Section 16 (General Provisions). The Parties' confidentiality obligations under Section 10 shall also survive for three (3) years from the date of expiration or termination.

8. Participant Data.

8.1 The Network as Business Associate. The Parties anticipate that certain data provided to the Network by Employer (or its Agent) hereunder will include "**Protected Health Information**" as defined in 45 C.F.R. Section 160.103, also known as "**PHI**," as well as related information regarding Participants. Pursuant to this Agreement, and as explained in more detail in the Business Associate Agreement attached as **Exhibit B** to this Agreement and incorporated by reference herein, Employer appoints the Network as its business associate. Employer hereby authorizes the Network to receive PHI and related information for the purpose of fulfilling its obligations to Employer pursuant to this Agreement. The Network will not use or disclose any PHI except as permitted by the Business Associate Agreement.

8.2 Network and Agents as Business Associates. It is the responsibility of Employer to enter into a business associate agreement that fulfills the requirements of HIPAA with the Network. Further, to the extent any Agents will have access to PHI as a result of the Program, it is the responsibility of Employer to enter into appropriate written agreements with such Agents, including business associate agreements, as necessary pursuant to HIPAA.

8.3 Participant Authorizations. Employer shall require each Participant to sign the Authorization provided to Employer by the Network, in order to participate in the Program. Employer shall ensure that when information regarding a Participant is entered into the Documentation System, the person entering the Participant's information verifies that the Participant has signed the Authorization, and indicates in the Documentation System that the Authorization has been signed. Employer shall store the original signed Authorizations for a period of at least six (6) years, or longer if required by any other applicable federal or state law.

8.4 Outcome Data. Employer acknowledges and agrees that de-identified data created by the Network from PHI, and other data resulting from implementation of the Program,

may be used to establish a national database for outcomes of HealthMapRx programs. The Network may use and disclose such data to publish and promote the outcomes of HealthMapRx programs, provided that the data disclosed is limited to summary or aggregate information so that no individual patient, provider, health plan, health maintenance organization, third party administrator, pharmacy benefit manager, or other health care payer can be identified from the information.

9. Intellectual Property.

9.1 The Network's Proprietary Materials. Employer may not use the Process of Care, Documentation System, Materials or any other proprietary information or materials provided by the Network, for any purpose other than to implement the Program as administered by the Network. Employer does not acquire any rights in the proprietary materials by virtue of this Agreement except those limited rights specifically licensed pursuant to this Agreement. All rights not granted to Employer herein are reserved to the Network. Employer will not alter or remove any copyright notices included in the materials and will not take any other steps to impair the Network's rights in the proprietary materials provided.

9.2 Publicity. Either Party may issue one or more public announcements regarding its relationship with the other Party following execution of the Agreement. The Party making the announcement will provide the announcement to the other Party for review and approval before distributing the announcement, which such approval shall not be unreasonably withheld or delayed. The Network may use Employer's name to identify Employer as a Program sponsor, on the Network's web site and in other marketing or promotional materials. The Network may also use Employer's logo to identify Employer as a Program sponsor, subject to the Network's compliance with any trademark and service mark policies established by Employer and communicated to the Network in writing.

9.3 Identification of Authorized Users. Employer shall identify each of the representatives of Employer, Network, and any Agent of Employer who will be performing services in connection with Programs and who will require access to the Documentation System in order to fulfill their obligations. Those individuals will be designated as "**Authorized Users**" of the Documentation System. Access to the Documentation System will be limited to Authorized Users by the assignment of appropriate user identification names and passwords ("**Credentials**") by the Network. Employer shall take reasonable precautions to ensure that Credentials are assigned only to Authorized Users and that the Credentials assigned to Authorized Users are protected from unauthorized use and disclosure. Employer shall promptly notify the Network in writing if any Authorized User ceases to represent or act on behalf of Employer, so that the Credentials assigned to such Authorized User can be deactivated. Employer assumes full responsibility for the actions of anyone accessing the Documentation System using Credentials assigned to any Authorized User, including any use of the Documentation System by any representative of the Network or an Agent, unless and until Employer notifies the Network to deactivate such Credentials.

9.4 Prohibited Acts. Under no circumstances may Employer or any Authorized User decompile, reverse engineer, modify, copy, reproduce, distribute, transmit, publicly display, publicly perform, publish, create derivative works from, transfer, sell, offer for sale, license, or

delete the Documentation System. Except as reasonably necessary to implement the Program, neither Employer nor any Authorized User may copy, reproduce, distribute, transmit, publicly display, publicly perform, or publish any proprietary materials provided by the Network.

10. Confidentiality.

10.1 Confidential Information Defined. For purposes of this Agreement, “**Confidential Information**” shall include all information relating to one of the Parties to this Agreement or its Affiliates, and the activities of all such companies, including but not limited to: (a) its pricing, revenue, cost, profit, capitalization, financial, accounting, personnel, management, and operational data; (b) marketing, business, and sales plans, projections, and forecasts; (c) the identity of its clients and prospective clients, as well as the nature of the products sold and services provided to such clients, and the pricing of such products and services; (d) all data or other information regarding evaluation of its products and services; (e) technical information, software and programming code, specifications, data, and research and development plans; (f) any information received by a Party from licensees, clients, vendors, or other third parties that is designated as confidential in an agreement between such Party and the third party or designated as confidential by a representative of the third party; and (g) any trade secrets, as defined by applicable law. To constitute Confidential Information, information need not be embodied in tangible form or marked “confidential” or “proprietary.” “**Affiliates**” means entities that control, are controlled by, or are under common control with, a Party. Participant data, including PHI, is expressly excluded from the scope of Confidential Information, because the Parties’ obligations to protect the privacy and security of such data are established by the Business Associate Agreement between the Parties and applicable law, not the provisions of this Section.

10.2 Disclosure of Confidential Information. In the course of exercising their rights and performing their obligations pursuant to this Agreement, the Parties will exchange information and, to the extent that any such information is Confidential Information, the Parties wish to provide for its protection. The Parties thus agree that the terms of this Section will apply when a Party (the “**Discloser**”) discloses Confidential Information to the other (the “**Recipient**”).

10.3 Confidentiality Obligations. Except as otherwise expressly provided in this Agreement, with respect to all Confidential Information furnished by a Discloser to a Recipient, the Recipient shall: (a) maintain the secrecy of the Confidential Information, using a reasonable degree of care and at least the same degree of care normally exercised by the Recipient to protect its own proprietary or confidential information; (b) restrict disclosure of the Confidential Information solely to those directors, officers, employees, agents, or other representatives of the Recipient who have a legitimate need to know such Confidential Information in connection with the Program, and not disclose it to any other parties; (c) advise all individuals receiving Confidential Information of their obligations with respect to such Confidential Information; and (d) use the Confidential Information solely to implement the Program, and for no other purpose.

10.4 Exceptions to Confidentiality Obligations.

10.4.1 Exclusions from the Scope of Confidential Information. Confidential Information shall not include, and the Parties’ obligations under Section 10.3 shall not apply to, any Information that would otherwise be Confidential Information but that: (a)

is or becomes generally available to the public other than as a result of disclosure by a Recipient; (b) is in a Recipient's possession free of any obligation of confidence to the Discloser at the time it was communicated to the Recipient by the Discloser; (c) is disclosed to Recipient by a third party, without restriction; (d) is independently developed by a Recipient without reference to, incorporation of, or derivation from the other Party's Confidential Information; or (e) is specifically approved for release by a Discloser.

10.4.2 Disclosure Required by Governmental Authority. Notwithstanding the confidentiality obligations imposed by this Agreement, a Recipient may disclose the other Party's Confidential Information to the extent required by an order of court or other governmental authority, but only after the Discloser has been notified of the required disclosure and has had the opportunity, if possible, to obtain reasonable protection for the information. Any Confidential Information disclosed pursuant to an order of court or governmental authority shall remain Confidential Information and the exclusions set forth in Section 8.4.1 shall not apply as a result of that disclosure alone.

10.5 Rights in Confidential Information. Except as specifically stated in this Agreement: (a) all Confidential Information furnished by a Discloser under the Agreement shall remain the property of the Discloser, and no warranty and no license or conveyance of any rights is given or implied, and (b) nothing in this Agreement limits the right of a Discloser to conduct its business or enter into business relationships with third parties. The Network shall be free at any time to implement programs for third parties using the Documentation System, and nothing in this Agreement shall be deemed to restrict the Network from contracting with other parties to implement programs that are substantially similar to the Program.

10.6 Return or Destruction. Either Party, when in the position of Recipient, will immediately respond to a request by the Discloser to return to the Discloser or destroy (at Recipient's option) all materials containing Confidential Information and all reproductions thereof, as well as compilations, notes, reports, and analyses incorporating the Discloser's Confidential Information. The Recipient shall certify this return or destruction of all Confidential Information once it has been completed. Notwithstanding the foregoing, the Recipient will be permitted to maintain a copy of any Confidential Information of Discloser to the extent such retention is required by law.

10.7 Texas Public Information Act. To the extent, if any, that any provision in this Agreement is in conflict with Tex. Gov't Code 552.001 et seq., as amended (the "Public Information Act"), the same shall be of no force or effect. Furthermore, it is expressly understood and agreed that Employer, its officers and employees may request advice, decisions and opinions of the Attorney General of the State of Texas in regard to the application of the Public Information Act to any items or data furnished to Employer as to whether or not the same are available to the public. It is further understood that Employer's officers and employees shall have the right to rely on the advice, decisions and opinions of the Attorney General, and that Employer, its officers and employees shall have no liability or obligation to any party hereto for the disclosure to the public, or to any person or persons, of any items or data furnished to Employer by a party hereto, in reliance of any advice, decision or opinion of the Attorney General of the State of Texas.

11. Representations and Warranties. The Parties hereby represent and warrant to each other as follows, except where the context of a representation or warranty demonstrates that it is specific to one Party, in which case only that Party makes such representation and warranty to the other:

11.1 Organization and Qualification. It is a non-profit corporation, or political subdivision, duly organized, validly existing and in good standing under the laws of the state in which it is incorporated or organized.

11.2 Authority and Non-Contravention. It has the full and unrestricted corporate power and authority to execute and deliver this Agreement and to perform its obligations hereunder. The execution and delivery by it of this Agreement, and the performance of its activities and obligations hereunder, have been duly authorized by all necessary corporate action, and no other corporate proceedings on its part are necessary. This Agreement has been duly executed by such Party and constitutes a legal, valid, and binding obligation, enforceable in accordance with the terms of the Agreement. Such Party's execution, delivery, and performance of this Agreement does not and will not conflict with any other agreement or obligation by which the Party is bound.

11.3 Exclusion from Federal Health Care Programs. Each Party represents and warrants that it is not excluded from participation in any federal health care programs, as defined under 42 U.S.C. Section 1320a-7b(f), and to its knowledge, there are no pending or threatened investigations that may lead to such exclusion. In the event of any action that may reasonably be expected to lead to a Party's exclusion from participation in federal health care programs, such Party shall immediately notify the other Party.

11.4 Network Requirements. Employer shall require the Network to represent and warrant that the Network and each individual pharmacist acting on behalf of the Network shall comply with all federal, state, and local laws and regulations applicable to performance of Programs pursuant to this Agreement, including but not limited to all applicable licensure requirements. The Network bears sole responsibility for knowledge of such laws and regulations. Employer shall also require the Network to represent and warrant that the Network and each individual pharmacist acting on behalf of the Network shall comply with all specialized training requirements imposed on members of the Network, and that they shall adhere to the protocol set forth in the Process of Care in performing all services in connection with the Program. If Employer becomes aware of an instance of non-compliance that affects or could affect a Program, Employer shall promptly notify the Network in writing.

11.5 Performance Warranty and Disclaimer. The Parties agree to perform their obligations pursuant to this Agreement with the skill, diligence, and expertise commonly expected from experienced and qualified personnel performing such duties, and in conformance with industry standards and the requirements of this Agreement. With the exception of the foregoing warranty, the Network expressly disclaims any warranty, express or implied (including merchantability or fitness for a particular purpose), regarding the Network's services, the materials, the documentation system, or the services of any third party, including but not limited to the Network.

12. Indemnification.

12.1 Indemnification by the Network. The Network shall indemnify, defend and hold harmless the Employer, its affiliates and their respective present and former directors, officers, shareholders, agents, attorneys, representatives and employees from and against any and all claims arising or resulting from: (A) any breach, violation or noncompliance of or with any term of this agreement by the Network or; (B) any breach or violation of applicable law by the Network or any educator, or (C) any negligent or wrongful act or omission on the part of the Network or any educator, except to the extent that such claim arises from the negligence or willful misconduct of the participant.

12.2 No Indemnification by Employer. The Network acknowledges and agrees that under the Constitution and the laws of the State of Texas, Employer cannot enter into an agreement whereby Employer agrees to indemnify or hold harmless any other party, including but not limited to the Network; therefore, all references of any kind to Employer indemnifying, holding or saving harmless any other party, including but not limited to the Network, for any reason whatsoever are hereby deemed void and deleted.

12.3 Indemnification Procedures. Promptly after learning of the occurrence of any event which may give rise to its rights under the provisions of this section, any person or entity intending to claim indemnification hereunder (an "Indemnitee") shall give written notice of such matter to the party hereunder from whom indemnification is sought (the "Indemnitor"). The Indemnitor shall diligently defend any such action, claim or liability, and subject to the Indemnitor's compliance with its indemnification obligations, the Indemnitee shall, at the Indemnitor's expense, cooperate fully with the Indemnitor and its legal representatives in the investigation and defense of any Claim covered by this Agreement. The Indemnitor shall be in charge of and control such negotiations, compromise and defense and shall have the right to select counsel with respect thereto, provided that the Indemnitor shall promptly notify the Indemnitee of all developments in the matter. In no event shall the Indemnitee compromise or settle any such matter without the prior consent of the Indemnitor, who shall not be bound by any such compromise or settlement absent its prior consent, which shall not be unreasonably withheld or delayed. The Indemnitee shall have the right, but not the obligation, to be represented by counsel of its own selection and at its own expense. If the Indemnitor fails to promptly act to protect the interests of the Indemnitee after having been notified of Claim, the Indemnitee may, at Indemnitor's expense, take action in its own defense.

12.4 Timely Notice. Each Party agrees to provide the other with timely notice of any potential claim governed by this Section and to provide reasonable assistance to such other Party in the defense and settlement of such claim.

13. Limitation of Liability. The following limitations shall restrict the Parties' liability to each other, except to the extent that either Party is obligated to indemnify the other Party for Damages resulting from a third party claim, pursuant to the indemnification provisions set forth in Sections 12.1 and 12.2.

13.1 Exclusion of Certain Types of Damages. In no event will either party be liable to the other party for consequential, incidental, indirect, exemplary, punitive, or special damages

(including loss of profits, data, business, or goodwill), regardless of whether such liability is based on contract, tort, statute, strict liability, breach of warranties or otherwise, and even if advised of the likelihood of such damages.

13.2 Limit on Damages. Each party's aggregate liability to the other party for damages hereunder is expressly limited to no more than the actual and direct damages incurred by such party.

14. Insurance. The Network shall ensure that each Educator has professional liability insurance in the amount of \$1,000,000 for each occurrence and \$3,000,000 in the aggregate and that such insurance will cover the acts of each such Educator described in this Agreement.

15. Dispute Resolution and Remedies.

15.1 Negotiation. Before resorting to litigation, the Parties shall endeavor to resolve any dispute, claim, or controversy arising out of or relating to this Agreement or any breach or threatened breach of this Agreement (a "**Dispute**") through good faith negotiation between the Parties' officers or management. Either Party may give the other Party written notice of any Dispute not resolved in the ordinary course of business. Within thirty (30) days after the delivery of any such notice, the recipient shall provide a written response. Within sixty (60) days after the delivery of the notice of Dispute, the officers or management designated by the Parties to address the Dispute shall meet by telephone or video conference, or in person, at a mutually acceptable date, time, and place, and thereafter as often as they reasonably deem necessary to attempt to resolve the Dispute. All negotiations pursuant to this Section 13.1 are confidential and without prejudice, and they shall be treated as compromise and settlement negotiations for purposes of applicable rules of evidence.

15.2 Dispute Resolution. If the parties are unable to resolve a Dispute as set forth in Section 15.1 above, and if a party wishes to pursue the Dispute, such Dispute shall be addressed through non-binding mediation under the Commercial Mediation Rules of the American Arbitration Association ("AAA"). A single mediator engaged in the practice of law, who is knowledgeable about subject matter of this Agreement, will conduct the mediation under the then current rules of the AAA. Any mediation under this Agreement shall be conducted in Williamson County, Texas. All costs involved in the mediation shall be borne equally between the parties, except that each party shall bear its own attorneys fees. Nothing herein is intended to prevent either party from seeking any other remedy available at law including seeking redress in a court of competent jurisdiction. This provision shall survive the termination of this Agreement.

15.3 Governing Law. Each party to this Agreement hereby agrees and acknowledges that venue and jurisdiction of any suit, right, or cause of action arising out of or in connection with this Agreement shall lie exclusively in either Williamson County, Texas or in the Austin Division of the Western Federal District of Texas, and the parties hereto expressly consent and submit to such jurisdiction. Furthermore, except to the extent that this Agreement is governed by the laws of the United States, this Agreement shall be governed by and construed in accordance with the laws of the State of Texas, excluding, however, its choice of law rules.

16. General Provisions.

16.1 Notices and Communications. All formal notices or communications, other than routine communications, required or permitted to be given in this Agreement shall be in writing and sent to the address designated for the Party below the signature block of this Agreement, or to such other address as a Party may designate by giving written notice hereunder. Notices shall be deemed to have been given and received (a) when delivered by personal delivery; (b) one (1) day after being sent by an express delivery or courier service; or (c) three (3) days after being mailed by registered or certified mail, postage prepaid, return receipt requested.

16.2 Force Majeure. Neither Party shall be liable to the other for any delay in performance or failure to perform its obligations pursuant to this Agreement in a timely manner, to the extent that such delay or failure results from any cause beyond the reasonable control of the Party that is obligated to perform. Causes beyond the Parties' reasonable control may include, but are not limited to, acts of god, fires, storms, floods, earthquakes, Internet viruses or attacks, electrical outages, wars, or riots.

16.3 Entire Agreement. The Exhibits attached to this Agreement are deemed incorporated herein by reference. This Agreement and such Exhibits embody the complete agreement and understanding among the Parties hereto with respect to the subject matter hereof and supersede and preempt any prior understandings, agreements or representations by or among the Parties, written or oral, which may have related to the subject matter hereof in any way.

16.4 Amendment and Modification. This Agreement shall not be amended or modified in any manner whatsoever except by a written instrument signed by the duly authorized representatives of the Parties.

16.5 Assignment. Neither Party may assign its rights, duties or obligations under this Agreement to any person or entity, in whole or in part, without the prior written consent of the other Party, which shall not be unreasonably withheld; provided that either Party may assign this Agreement without prior consent to any successor by way of merger, reorganization, consolidation, or sale of all or substantially all of its assets.

16.6 Representation by Counsel. The Network and Employer acknowledge that each Party to this Agreement has been represented by counsel or has had the opportunity to review this Agreement with counsel. Accordingly, any rule of law or any legal decision that would require the interpretation of any claimed ambiguities in this Agreement against the drafting party has no application and any argument based upon any such rule is expressly waived.

16.7 Third Party Beneficiaries. This Agreement is entirely for the benefit of the Network and Employer and shall not be construed as conferring any rights on any third party. Nothing herein is intended or shall be construed to give any other person any right, remedy, or claim against the Network or Employer under this Agreement.

16.8 Independent Parties. The Parties hereto are independent entities. Except as expressly authorized in this Agreement, neither may: (a) incur any obligation on behalf of the other, (b) engage the other's credit or authority, or (c) be deemed to be an agent of the other. Each Party shall be itself solely liable and responsible for its own actions and omissions.

Nothing in this Agreement shall constitute or be deemed to constitute a partnership between the Parties or to constitute either Party as a partner of any other third party for any purpose whatsoever.

16.9 Further Assurances. Each Party shall, upon request, make, execute, and deliver such documents as shall be reasonably necessary or take such action as may be reasonably requested to implement fully the purposes of this Agreement.

16.10 Waiver. Silence, acquiescence, or inaction shall not be deemed a waiver of any right of either party hereunder. A waiver shall only be effective if in writing signed by the Party to be charged, and any such waiver shall not be construed to be a continuing waiver of any other breaches of a similar type unless specifically set forth therein.

16.11 Severability. All rights, remedies, and powers provided in this Agreement may be exercised only to the extent that the exercise thereof does not violate any applicable provision of law, and all the provisions of this Agreement are intended to be subject to all applicable mandatory provisions of law that may be controlling and to be limited to the extent necessary so that they will not render this Agreement invalid or unenforceable in whole or in part. If any provision hereof is invalid or unenforceable in any jurisdiction, then, to the fullest extent permitted by law: (a) the other provisions hereof shall remain in full force and effect in such jurisdiction and shall be liberally construed in order to carry out the intentions of the Parties hereto as nearly as may be possible and (b) the invalidity or unenforceability of any provision hereof in any jurisdiction shall not affect the validity or enforceability of such provisions in any other jurisdiction.

16.12 Headings. All Section headings contained in this Agreement are intended to serve the purposes of clarification and convenience of reference, and shall not be considered in the construction or interpretation of the Agreement.

16.13 Counterparts. This Agreement may be signed in two counterparts with the same effect as if the signatures were upon the same instrument. Each counterpart will be considered an original and both of the counterparts taken together will constitute one and the same agreement. This Agreement shall become effective when it has been signed by both Parties. It shall not be necessary in making proof of this Agreement or any counterpart hereof to produce or account for the other counterpart.


16.14 Execution. For purposes of this Agreement, a document (or signature page thereto) signed and transmitted by facsimile machine or as an attachment to an electronic mail message is to be treated as an original document. The signature of any Party thereon, for purposes hereof, is to be considered as an original signature, and the document transmitted is to be considered to have the same binding effect as an original signature on an original document. At the request of any Party, any signed document that has been electronically reproduced shall be re-executed in original form by the Party who executed the electronically reproduced document. No Party may raise the fact that any signature was transmitted through the use of a facsimile machine or as an attachment to an electronic mail message as a defense to the enforcement of this Agreement or any amendment, addendum, or other document executed in compliance with this Section.

16.15 Changes in Laws. The Network and Employer will work together to identify the effect of any changes in applicable federal or state laws, rules, and regulations (collectively, "**Laws**") on the Programs. With respect to any changes in Laws that affect the Programs, the Parties will discuss promptly and in good faith the modifications to the Programs, if any, that are necessary to comply with such changes. If any change in Laws, or any change in the Programs required to conform to a change in Laws, results in a material increase in the Network's costs or a material adverse effect on any Program, and the Parties cannot reach agreement on a mutually acceptable modification to the Program and the fees to accommodate such change in Laws, either Party may terminate this Agreement on or after the effective date of the change in Laws.

IN WITNESS WHEREOF, the Parties have executed this Agreement through their duly authorized representatives, as of the Effective Date set forth in the introductory paragraph. By signing below, each signatory warrants that he or she has the power and authority to execute this Agreement on behalf of the Party for which he or she has signed and to bind such Party to the terms of this Agreement.

WILLIAMSON COUNTY

TEXAS PHARMACY ASSOCIATION

By: 
Name: Dan A. Gattis
Title: Williamson County Judge
Date: 2-16-2010

By: _____
Name: _____
Title: _____
Date: _____

Address for Notice:
Lisa R. Zirkle, SPHR, CCP
Senior Director of Human Resources
Williamson County
Human Resources Department
301 S.E. Inner Loop, Suite 108
Georgetown, Texas 78626

Address for Notice:

Exhibits:

Exhibit A – Schedule of Services
Exhibit B – Business Associate Agreement
Exhibit C – Data

Exhibit A

Schedule of Services

Program Schedule

Date Enrollment Period Starts	(original – 3/31/2009)
Program Launch Date	May, 2009

The Program Launch Date is the start of the first Clinical Service Period. The second Clinical Service Period will start on the first anniversary of the Program Launch Date, the third Clinical Service Period will start on the second anniversary of the Program Launch Date, etc.

Program Modules

Check to Select	Module
<input checked="" type="checkbox"/>	Diabetes
<input type="checkbox"/>	Cardiovascular Health

Program Fees

Program Fees are assessed per Clinical Service Period, and they are calculated based on the number of Participants enrolled in the Program.

When an Employer implements two (2) modules, the number of Participants included is based on the sum of the Participants in each module. (Example: 100 Diabetes module Participants + 25 Cardiovascular Health module Participants = 125 Participants) Each Participant is permitted to enroll in only one (1) module; a Participant may not be enrolled in both modules.

Network Administration / Data Collection Per Participant Fees:

Per Participant Fees set forth below. Again, the number of Participants is based on the sum of the Participants in each module. (Example: 110 Diabetes module Participants + 40 Cardiovascular Health module Participants = 150 Participants.

Number of Participants	Per Participant Fee per Clinical Service Period
0-125	\$208
126 – 250	\$188
251 – or more	\$158

At the start of the second Clinical Service Period and every subsequent Clinical Service Period, the Network will determine the number of Participants enrolled in the Program as of the start of the applicable Clinical Service Period, and calculate Program Fees accordingly.

If, at the time an Employer enters into this Agreement with the Network, such Employer has already implemented a HealthMapRx program, administered by the Network, that is in effect as of the Effective Date of this Agreement, then the Program Fees for the first Clinical Service Period under this Agreement will be calculated in the same way as the Program Fees for subsequent Clinical Service Periods, based on the number of Participants in the Program as of the date the Clinical Service Period starts. Program Fees shall become payable on the Program Launch Date, when the first Clinical Service Period starts.

During any Clinical Service Period in which the total number of Participants enrolled in the Program is greater than 125, if additional Participants enroll in the Program after the start of the Clinical Service Period, then Employer will pay Program Fees for the additional Participants, which will be prorated to reflect when Participants enrolled in the Program. On a quarterly basis, the Network will determine the number of Participants who enrolled in the Program during the preceding quarter, and calculate the Program Fees payable for those Participants on the following basis:

Quarter of Clinical Service Period in which Participant Enrolled	Portion of Per Participant Fee to be Paid for Clinical Service Period in which Participant Enrolled
First Quarter	100% of applicable Per Participant Fee
Second Quarter	75% of applicable Per Participant Fee
Third Quarter	50% of applicable Per Participant Fee
Fourth Quarter	25% of applicable Per Participant Fee

Reports

Standard Reports:

The following reports will be provided for every Program. There is no additional charge for the reports, the costs for which are included in the Program Fees.

Type of Report	Report Delivery Date
Clinical Report	Delivered on a semiannual basis, approximately 30 days after the midpoint of each Clinical Service Period, and approximately 30 days after the end of each Clinical Service Period
Participant Satisfaction Report	Delivered once per Program, approximately 30 days after the end of the first Clinical Service Period

A Participant Satisfaction Report will not be provided if, at the time an Employer enters into this Agreement with the Network, such Employer has already implemented a HealthMapRx program, administered by the Network, that is in effect as of the Effective Date of this Agreement.

Optional Reports:

Additional fees are charged for preparation of Financial Outcomes Reports. If Employer elects to receive a Financial Outcomes Report, the fees associated with this report will be calculated based on the number of Participants enrolled in the Program as of the start of the Clinical Service Period to which the Financial Outcomes Report pertains. Like the Program Fees, the fees associated with the Financial Outcomes Report have a Flat Fee component and a Per Participant Fee component.

Check to Select	Type of Report	Report Delivery Date
<input checked="" type="checkbox"/>	Financial Outcomes Report	Delivered on an annual basis, approximately 6 months after the end of each Clinical Service Period, provided that all required claims data is received by the Network in a timely manner

Flat Fees for producing a Financial Outcomes Report:

Number of Modules	Flat Fee per Clinical Service Period	Participants Included
One	Included at no charge	Up to 125 Participants
Two	Included at no charge	Up to 125 Participants in both modules

Per Participant Fees for producing a Financial Outcomes Report:

If more than 125 Participants are enrolled in the Program, the Per Participant Fees set forth below shall be assessed for each additional Participant included in the Financial Outcomes Report.

Number of Participants	Per Participant Fee per Clinical Service Period
126 – 250	Included at no charge
251 – 500	Included at no charge
501 or more	Included at no charge

In order to be included in a Financial Outcomes Report for a Clinical Service Period, a Participant must have been enrolled in the Program as of the date that such Clinical Service Period began. This means that the number of Participants included in a Financial Outcomes Report will usually be smaller than the number of Participants enrolled in the Program when that report is produced.

Although Participants may enroll in the Program throughout a Clinical Service Period, and start participating in the Program at any time during the Clinical Service Period, the Network cannot effectively evaluate the impact of participation in the Program on such Participant's medical and pharmacy costs when he or she has been participating in the Program for less than a full Clinical Service Period. Therefore, for purposes of Financial Outcomes Reports, only those Participants enrolled as of the start of each Clinical Service Period will be included in the Financial Outcomes Report for such Clinical Service Period, and the fees associated with the Financial Outcomes Report will be based upon the number of Participants enrolled at that time. Any Participants who enroll after the start of a Clinical Service Period will be included in the Financial Outcomes Report for the subsequent Clinical Service Periods.

The Network will calculate the Report Fees for each Clinical Service Period based on the number of Participants to be included in the Financial Outcomes Report(s) for such Clinical Service Period. If the number of Participants does not exceed 125, then the Report Fees for the Clinical Service Period will be the applicable Flat Fee specified above. If the number of Participants to be included in the Financial Outcomes Report(s) exceeds 125, then the total Report Fees for the Clinical Service Period will be calculated based on the Per Participant Fees specified above, added to the applicable Flat Fee.

The Report Fees for each Clinical Service Period will be payable after the end of the Clinical Service Period. Fifty percent (50%) of the Report Fees shall become payable on the date the Clinical Service Period ends. The remaining fifty percent (50%) of the Report Fees shall become payable upon the Data Delivery Deadline (as defined in Exhibit C), provided that if the Network has already received all claims data required to prepare a Financial Outcomes Report by the Data Delivery Deadline, then the Network will not invoice Employer for the remaining Report Fees until the Network delivers the report to Employer.

The specified Flat Fees and Per Participant Fees for producing a Financial Outcomes Report include services performed by the Network in interacting with up to two (2) Agents of Employer in order to obtain the medical and pharmacy claims data required to prepare the Financial Outcomes Report. In the event the Network must interact with more than two (2) Agents of Employer to obtain the claims data required to prepare a particular Financial Outcomes Report, then a \$2000 surcharge will be added to the Report Fees for the applicable Clinical Service Period. Additional terms relating to the claims data required to produce a Financial Outcomes Report are set forth on Exhibit C.

Exhibit B

BUSINESS ASSOCIATE AGREEMENT

This Business Associate Agreement (this "**BAA**") is entered into pursuant to the Services Agreement between the Network and Employer, executed simultaneously with this BAA (the "**Agreement**"). Any capitalized term that is used but not defined in this BAA shall have the meaning attributed to such term in the Agreement.

The Parties are entering into this BAA, in accordance with the requirements of HIPAA, in order to set forth their mutual obligations with respect to PHI disclosed to the Network pursuant to the Agreement. Under HIPAA, Employer constitutes a "**Covered Entity**," as defined in 45 C.F.R. Section 160.103. To the extent that Employer discloses PHI to the Network or directs a third party to disclose PHI to the Network on its behalf, under HIPAA, the Network is a "**Business Associate**" of Employer, as defined in 45 C.F.R. Section 160.103.

1. Protected Health Information. The terms "**Protected Health Information**" and "**PHI**" have the meaning attributed to the term "protected health information" in 45 C.F.R. Section 160.103. PHI disclosed to the Network by Employer or at the direction of Employer shall be maintained by the Network in a Designated Record Set, as defined in 45 C.F.R. Section 164.501.

2. Permitted Uses and Disclosures of Protected Health Information.

- 2.1. Programs.** Subject to the terms of this BAA, the Network may use or disclose PHI in connection with Programs offered on behalf of Employer pursuant to the Agreement, provided that such use or disclosure would not violate HIPAA or any other applicable law.
- 2.2. Management and Administration.** Subject to the terms of this BAA, the Network is permitted to use PHI if necessary for the proper management and administration of The Network or to fulfill its legal responsibilities. The Network is also permitted to disclose PHI for the proper management and administration of The Network or to fulfill its legal responsibilities, provided that: (a) the disclosure is required by law or (b) the Network obtains reasonable assurances from any third party to whom the PHI is disclosed that: (i) it will be held confidentially and used or further disclosed only as required by law or for the purposes for which it was disclosed to the third party; (ii) the third party will use appropriate safeguards to prevent other use or disclosure of the information; and (iii) the third party agrees to immediately notify the Network of any instance in which it becomes aware that the confidentiality of the PHI has been breached.
- 2.3. Data Aggregation Services.** Subject to the terms of this BAA, the Network may use PHI to perform data aggregation services relating to the health care operations of Employer.

3. **Permitted Uses and Disclosures of De-Identified Information.** The Network may de-identify PHI received from or at the direction of Employer, and the Network may use and disclose the de-identified data to publish and promote the outcomes of the Network programs, provided that the data disclosed is limited to summary or aggregate information so that no individual patient, provider, health plan, health maintenance organization, third party administrator, pharmacy benefit manager, or other health care payer can be identified from the information.

4. **Obligations of Business Associate.**

4.1. **Use and Disclosure.** The Network shall not use or disclose PHI other than as expressly permitted by this BAA, as required by law, or as expressly authorized by Employer.

4.2. **Security.** The Network shall implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of PHI.

4.3. **Reporting Improper Use or Disclosure.** The Network shall report to Employer any use or disclosure of PHI not permitted by this BAA or by HIPAA of which the Network becomes aware. The Network shall mitigate, to the extent practicable, any harmful effect that is known to the Network resulting from a use or disclosure of PHI in violation of this BAA or HIPAA.

4.4. **Notification in the Event of Breach.** In the event of any breach affecting unsecured PHI in the Network's possession, following discovery of the breach, the Network shall notify Employer of such breach.

4.5. **Subcontractors and Agents.** Any time the Network makes available PHI to any subcontractors or agents, the Network shall provide only the minimum PHI necessary for the subcontractors or agents to fulfill their designated purposes. Before disclosing any PHI to subcontractors or agents, the Network shall first enter into an agreement that contains similar terms, conditions, and restrictions on the use and disclosure of PHI as contained in this BAA. Without limiting the foregoing, the Network shall ensure that any subcontractors or agent to whom the Network provides PHI agrees to implement administrative, physical, and technical safeguards to reasonably and appropriately protect the confidentiality, integrity, and availability of the PHI.

4.6. **Access.** The Network shall make available PHI for the purpose of providing individuals access to their protected health information, in accordance with 45 C.F.R. Section 164.524. If contacted directly by an individual concerning access to PHI, the Network shall promptly notify Employer.

4.7. **Amendment.** The Network shall make an individual's PHI available for amendment, by that individual, in accordance with 45 C.F.R. Section 164.526. If contacted directly by an individual concerning amendment of PHI, the Network shall promptly notify Employer.

4.8. Accounting of Disclosures. The Network shall maintain appropriate records for the purpose of providing individuals an accounting of disclosures of their protected health information, in accordance with 45 C.F.R. Section 164.528. If contacted directly by an individual concerning an accounting of disclosures of PHI, the Network shall promptly notify Employer.

4.9. Audit. The Network shall make its internal practices, policies, and procedures relating to the use and disclosure of PHI received pursuant to the Agreement available to Employer, upon request, or to the Secretary of the United States Department of Health and Human Services, for purposes of determining the Parties' compliance with HIPAA. Except to the extent that Employer is involved in an audit initiated by a governmental agency, Employer may exercise its right to audit the Network no more frequently than once per year.

4.10. Compliance with Laws. Without limitation of any of the other provisions of this BAA, the Network shall comply with all applicable federal and state laws and regulations, including but not limited to the requirements of HIPAA.

5. Obligations of Covered Entity.

5.1. Privacy Policy. Employer shall notify the Network of any limitations in its notice of privacy practices that may affect the Network's ability to use or disclose PHI as permitted by this BAA. Employer shall also provide the Network with a copy of its notice of privacy practices in effect as of the Effective Date of the Agreement, and in the event of any change in Employer's privacy practices, Employer shall provide the Network a copy of the updated notice of privacy practices issued by Employer.

5.2. General Restrictions. Employer shall notify the Network of any restrictions on the use or disclosure of PHI to which Employer has agreed that may affect the Network's ability to use or disclose PHI as permitted by this BAA.

5.3. Permissions. Employer shall notify the Network of any change in, or revocation of, permission by an individual to the use or disclosure of his or her PHI that may affect the Network's ability to use or disclose PHI as permitted by this BAA.

5.4. Limitation on Requests. Employer may not request the Network to use or disclose PHI in any manner that would not be permissible under HIPAA or any other applicable law, if done by Employer.

5.5. Compliance with Laws. Without limitation of any of the other provisions of this BAA, Employer shall comply with all applicable federal and state laws and regulations, including but not limited to the requirements of HIPAA. Employer shall ensure that it is legally entitled to disclose all information, including PHI, disclosed to the Network pursuant to the Agreement.

6. HITECH Act Compliance. The Network recognizes and agrees that it is obligated by law to comply with the new requirements created by the Health Information

Technology for Economic and Clinical Health Act, as incorporated in the American Recovery and Reinvestment Act of 2009 (the “HITECH Act”), that are applicable to business associates, along with any guidance and/or regulations issued by the U.S. Department of Health and Human Services.

6.1 Compliance with DHHS Guidance. The Network recognizes and agrees that it is obligated by law to meet the applicable provisions of the HITECH Act. In determining the Network’s obligations under the HITECH Act and this Addendum, Business Associate will comply with any guidance, manuals or other instructive material issued by the U.S. Department of Health and Human Services.

6.2 Use and Disclosure. The Network is permitted to use and disclose Protected Health Information that it creates or receives on Employer’s behalf or receives from Employer (or another business associate of Network) and to request Protected Health Information on Employer’s behalf (collectively, “Employer’s Protected Health Information”) only to perform functions, activities, services and operations on behalf of Employer as described in this Agreement, consistent with the HIPAA Privacy Rule and the HITECH Act.

6.3 Limited Data Set. The Network’s use, disclosure or request of Employer’s Protected Health Information shall utilize a Limited Data Set if practicable. Otherwise, the Network will, in its performance of the functions, activities, services, and operations specified in the Agreement, make reasonable efforts to use, to disclose, and to request of Employer only the minimum amount of Employer’s Protected Health Information reasonably necessary to accomplish the intended purpose of the use, disclosure or request.

6.4 Safeguards. The Network will develop, implement, maintain, and use administrative, technical, and physical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of Employer’s Electronic Protected Health Information that Network creates, receives, maintains, or transmits on Employer’s behalf, as required by the HIPAA Security Rule and as required by the HITECH Act. Network also shall develop and implement policies and procedures and meet the HIPAA Security Rule documentation requirements as required by the HITECH Act.

6.5 Encryption. For any electronic protected health information (as defined in 45 C.F.R. Part 164) belonging to Employer or its clients or contractors (“EPHI”) in Network’s possession, custody, or control, Network agrees to encrypt the EPHI being sent to a third party or otherwise sent, transmitted, or transported outside the walls of its facility(s) for any period of time (regardless of whether contained within any email, portable computer, portable storage device, PDA, or other mechanism) so that the EPHI will be not be deemed “unsecured protected health information” according to the standards stated in the HITECH Act, HIPAA, and any implementing regulations, or any guidance issued by the United States Department of Health and Human Services or a otherwise required by law. This requirement may only be waived by Employer’s Privacy Officer in writing.

6.6 Individual Access. The Network will provide individual rights to access and accounting as mandated by and, where applicable, the HITECH Act. Specifically, Network shall make such

access information available in an electronic format where directed by Employer. In addition, Network shall include within its accounting, disclosures for payment and health care operations purposes where such recording or accounting is required by the HITECH Act, and as of the effective date for this provision of the HITECH Act. The Network further shall provide any additional information to the extent required by the HITECH Act and any accompanying regulations.

6.7 Disclosure to Individuals. Where the Network is contacted directly by an individual, based on information provided to the individual by Employer, and where so required by the HITECH Act and/or any accompanying regulations, Network shall make such disclosure information available directly to the individual.

6.8 Reporting of Breach. In addition to any reporting obligations in this Agreement, the Network will report, following discovery and without unreasonable delay, but not later than 5 days following discovery, any "Breach" of "Unsecured Protected Health Information" as these terms are defined by the HITECH Act and any implementing regulations, even if Network deems the unauthorized acquisition, access or use to be in good faith, unintentional or inadvertent. The Network shall cooperate with Employer in investigating the Breach and in meeting the Employer's obligations under the HITECH Act and any other security breach notification laws.

6.9 Report. Any such report shall include the identification (if known) of each individual whose Unsecured Protected Health Information has been, or is reasonably believed by the Network to have been, accessed, acquired, or disclosed during such Breach. In addition, the Network will make the report to Employer's HIPAA Privacy Officer not more than 14 days after Network learns of such non-permitted use or disclosure. The Network's report will at least:

- 1) Identify the nature of the non-permitted access, use or disclosure, including the date of the Breach and the date of discovery of the Breach;
- 2) Identify Employer's Protected Health Information accessed, used or disclosed as part of the Breach (e.g., full name, social security number, date of birth, etc.);
- 3) Identify who made the non-permitted access, use or disclosure and who received the non-permitted disclosure;
- 4) Identify what corrective action The Network took or will take to prevent further non-permitted access, uses or disclosures;
- 5) Identify what Network did or will do to mitigate any deleterious effect of the non-permitted access, use or disclosure;
- 6) If Network believes the unauthorized access, use or disclosure of PHI fall within one of the exclusions provided in 45 C.F.R. § 164.402(2) or to not "pose a significant risk of financial, reputational, or other harm to the individual" as provided in 45 C.F.R. § 164.402(1), the reasons why such a belief is reasonable, along with any and all facts supporting such a belief; and
- 7) Provide such other information, including a written report, as Employer may reasonably request.

7. Terms and Termination.

7.1 Term. This BAA shall be effective upon execution by both Parties, and it shall terminate when all of the PHI received by the Network from or at the direction of Employer is destroyed or returned.

7.2 Termination in the Event of Breach. Employer may terminate this BAA if the Network materially breaches its obligations under the BAA, and fails to cure such breach in a timely manner. Employer shall provide the Network thirty (30) days written notice of its election to terminate, specifying the nature of the breach. Unless the Network cures the specified breach to Employer's satisfaction within the thirty (30) day notice period, Employer may terminate this BAA and the Agreement at the end of the notice period.

7.3 Effect of Termination. Upon the termination of this BAA for any reason whatsoever, the Network shall return or destroy all PHI subject to this BAA, including any PHI that is in the possession of subcontractors or agents of the Network. Notwithstanding the foregoing, if return or destruction of certain PHI is infeasible or the Network is required by law to retain certain PHI, the Network shall so notify Employer, and the obligations of the Network shall survive termination of this BAA with respect to such PHI, and remain in effect for so long as the Network maintains the PHI.

8. General Provisions.

8.1 Interpretation. In the event of an inconsistency between the provisions of this BAA and mandatory provisions of HIPAA in effect at any given time, the mandatory provisions of HIPAA shall control. Where provisions of this BAA are different than those prescribed by HIPAA, but such provisions are nonetheless permitted by HIPAA, the provisions of this BAA shall control. Any ambiguity in interpretation of this BAA shall be resolved in a manner that permits the Parties to comply with HIPAA and any other applicable law.

8.2 Amendment. The Parties shall amend this BAA as necessary in order to conform it to any changes in the requirements in HIPAA or the HITECH Act, so that the Parties may remain in compliance with such requirements. Amendments to this BAA shall be effected by a written instrument signed by the duly authorized representatives of both Parties.

8.3 Assignment. If a Party's rights and obligations under the Agreement are assigned, then this BAA, because it is incorporated by reference into the Agreement, shall also be assigned, and the Party's successor in interest shall assume all rights and obligations under this BAA.

8.4 Third Party Beneficiaries. This BAA is entirely for the benefit of Employer and the Network and shall not be construed as conferring any rights on any third party. Without in any way limiting the foregoing, it is the Parties' specific intent that nothing in this BAA is intended or shall be construed to give rise to any right, remedy, claim, or cause of action, contractual or otherwise, in or on behalf of any individual whose PHI is used or disclosed pursuant to this BAA.

8.5 Execution. This BAA may be signed in two counterparts with the same effect as if the signatures were upon the same instrument. For purposes of this BAA, a document (or signature

page thereto) signed and transmitted by facsimile machine or as an attachment to an electronic mail message is to be treated as an original document. The signature of any Party thereon, for purposes hereof, is to be considered as an original signature, and the document transmitted is to be considered to have the same binding effect as an original signature on an original document.

The Parties have executed this BAA through their duly authorized representatives, to be effective upon signature by both Parties. By signing below, each signatory warrants that he or she has the power and authority to execute this BAA on behalf of the Party for which he or she has signed and to bind such Party to the terms of this BAA.

WILLIAMSON COUNTY

TEXAS PHARMACY ASSOCIATION

By: _____
Name: _____
Title: _____
Date: _____

By: _____
Name: _____
Title: _____
Date: _____

Exhibit C

Data

If Employer has elected to receive a Financial Outcomes Report, Employer will provide the following data elements to the Network, promptly upon request by the Network. Employer may fulfill the requirement to provide claims data to the Network by instructing an Agent to provide the data. The data elements must be provided in either *Microsoft Excel* or *Access* format.

Claims data will be requested at the beginning of a Clinical Service Period, to establish a baseline against which Participants' medical and pharmacy claims will be compared at the end of the Clinical Service Period. Claims data will also be requested following the conclusion of each Clinical Service Period.

The Network's obligation to provide Employer with a Financial Outcomes Report is conditioned on Employer providing claims data to the Network, either itself or through an Agent.

Data fields for total medical claims for each Participant:

Field Requested	Disposition
Patient Name (first, last)	Required
Patient DOB	Required
Service ID Code (CPT) Service Description	One of these two fields is required, both are preferred
Diagnosis Description ICD9 Code	One of these two fields is required, both are preferred
Plan Payment Amount	Required
Member Payment Amount	Required
Payee	Required
Payee Category (e.g., Hospital, Physician)	Preferred
Provider ID Code	Required (may provide name as alternative)
Date of Service	Required
Claim Number	Preferred (TPA's unique claim identifier)

Data fields for total pharmacy claims for each Participant:

Field Requested	Disposition
Patient Name (first, last)	Required
Patient DOB	Required
Prescription (claim) Number	Preferred (PBM's unique claim identifier)
Product ID Code (NDC) Product Description	One of these two fields is required, both are preferred
Therapeutic Class Code	Preferred

Quantity Dispensed	Required
Plan Payment Amount	Required
Member Payment Amount	Required
Pharmacy ID Code	Required (may provide name as alternative)
Original/Refill Flag	Preferred
Prescriber ID Code	Required (may provide name as alternative)
Date of Service	Required

Data Request Date: The Network will request claims data approximately ninety (90) days after the conclusion of a Clinical Service Period, to allow time for medical and pharmacy expenses incurred during the Clinical Service Period to be processed as claims. The date upon which the Network requests the claims data will be referred to as the “**Data Request Date.**”

Data Delivery Deadline: In order for the Network to deliver a Financial Outcomes Report by the projected delivery date of approximately six (6) months after the end of a Clinical Service Period, the Network must receive all required claims data within sixty (60) days of the Data Request Date. The end of this sixty (60) day period is the “**Data Delivery Deadline.**”

During the sixty (60) days between the Data Request Date and the Data Delivery Deadline, the Network will make reasonable attempts to obtain the claims data from Employer and its designated Agents, provided that the Network will not be expected to contact Employer or any of its Agents more than three (3) times in such period. If no claims data is received by the Network by the Data Delivery Deadline, the Network will notify Employer. After the Data Delivery Deadline, Employer shall bear sole responsibility for obtaining data from any Agents and providing the data to the Network. At its option, Employer may request that the Network continue its efforts to obtain data from the designated Agents, provided that the Network will bill Employer for all time spent by the Network trying to obtain the data after the Data Delivery Deadline, at its then standard hourly rates.

Upon receipt of claims data, the Network will review the data to confirm that all required fields, as specified in this Exhibit C, are present, and that data has been provided for each Participant. If required fields are not included within the claims data, or if data is not provided for one or more Participants, the Network will make one (1) request to Employer or the applicable Agent to provide additional data including the missing fields and/or Participants, or to confirm that certain Participants had no claims for the relevant period. If the additional data is not provided by the Data Delivery Deadline, the Network will notify Employer. After the Data Delivery Deadline, Employer shall bear sole responsibility for obtaining additional data from any Agents and providing the data to the Network. At its option, Employer may request that the Network continue its efforts to obtain the additional data needed in order for the Network to have all claims data required to prepare a Financial Outcomes Report, provided that the Network will bill Employer for all time spent by the Network trying to obtain the additional data after the Data Delivery Deadline, at its then standard hourly rates.

If all claims data required to prepare a Financial Outcomes Report is received by the Network after the Data Delivery Deadline, the Network will nonetheless remain obligated to provide Employer with the report, but the projected delivery date for the report will be postponed by the

same amount of time that passed between the Data Delivery Deadline and the date upon which all required data was received by the Network. If the Network never receives all claims data required to prepare a Financial Outcomes Report, then the Network will no longer be obligated to produce the report, and Employer will be deemed to forfeit the fees paid for such report.