

PALM BEACH COUNTY
BOARD OF COUNTY COMMISSIONERS

AGENDA ITEM SUMMARY

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Meeting Date: June 19, 2007 [] Consent [X] Regular
 [] Ordinance [] Public Hearing

Department:

Submitted By: Administration
 Submitted For:

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I. EXECUTIVE BRIEF

Motion and Title: Staff recommends motion to approve: a contract with the National Association of Counties (NACo) and CaremarkPCS Health, L.P. for the purpose of proceeding with the Managed Pharmacy Benefit Consumer Card Program.

Summary: The NACo Drug Discount Card program is administered by Caremark Rx, Inc, a pharmaceutical services company with experience in managing drug discount card programs. Caremark negotiates with pharmacies to offer a discount off their retail prices. The discount cards can be used by anyone. There is no cost to NACo, no cost to the counties participating in the program and no cost to the citizen using the discount card. The cards, which are printed by Caremark and sent to the county, are given to citizens through any distribution means selected and can be used immediately by anyone who needs it. The cards are accepted at more that 57,000 pharmacies nationwide. Savings range from 13 to 35 percent on purchases of drugs at a local pharmacy and up to 50 percent on mail order purchases. Countywide (TF)

Background and Policy Issues: Caremark Rx, Inc. was chosen as the program provider after a two-year process that involved the NACo Membership Committee, a consulting firm and a special evaluation committee appointed by the NACo President. Caremark derives revenue from the program in the form of a small fee that the pharmacy pays on each transaction. The card can not be used in conjunction with other insurance. However, the card may be used to purchase prescriptions that are not covered by a plan. Citizens do not fill out any forms to participate and the county does not maintain any database of who has the cards. Medication for pets is eligible to receive a discount. Upon approval of the contract by the Board of County Commissioners, the contract will be submitted to NaCo and Caremark for execution, and an original signed contract will be filed with the Clerk's office.

Attachments:

1. Contract
2. NACo Prescription Drug Discount Card Program Booklet

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Recommended By: _____
 Department Director Date

Approved By: *B. Adams* _____
 Assistant County Administrator Date

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Capital Expenditures	—	—	—	—	—
Operating Costs	—	—	—	—	—
External Revenues	—	—	—	—	—
Program Income (County)	—	—	—	—	—
In-Kind Match (County)	—	—	—	—	—
NET FISCAL IMPACT	—	—	—	—	—

ADDITIONAL FTE POSITIONS (Cumulative) _____

Is Item Included in Current Budget? Yes ___ No ___
 Budget Account No.: Fund ___ Dept. ___ Unit ___ Object ___
 Reporting Category

B. Recommended Sources of Funds/Summary of Fiscal Impact:

C. Departmental Fiscal Review:

III. REVIEW COMMENTS

A. OFMB Fiscal and/or Contract Dev. and Control Comments:

John Dink 6-6-07 Ann J. Jacob 6/17/07
 OFMB Contract Dev. and Control
 6-4-07 6/14/07

B. Legal Sufficiency:

At the time of CDC's review, the contract was not executed.

James P. [Signature] 6/16/07
 Assistant County Attorney

C. Other Department Review:

 Department Director

CAREMARKPCS HEALTH, L.P.
MANAGED PHARMACY BENEFIT SERVICES AGREEMENT
CONSUMER CARD PROGRAM

THIS RESTATED AGREEMENT (the "Agreement") is effective beginning March 1, 2006 (the "Effective Date") among National Association of Counties ("Customer"), counties that are members of the National Association of Counties ("Member County") and CaremarkPCS Health, L.P., formerly known as AdvancePCS Health, L.P. ("Caremark"), for the purpose of delineating the terms and conditions under which Caremark will provide certain managed pharmacy benefit services to Member County and Customer. This restated agreement will amend and replace all existing Member County Agreements.

Customer agrees that it will require each Member County to execute an individual agreement with Caremark in the form attached hereto as Exhibit C (the "Member County Agreement") prior to Caremark's providing Services to such Member County. Caremark will not provide Services to Member County prior to the receipt of the Member County's execution of the Member County Agreement.

1. STATEMENT OF SERVICES / OBLIGATIONS.

1.2 Services. Caremark will provide Member County the services as set forth in this Section 1, and the services described in any attachment, addendum or amendment hereto (collectively the "Services"). Caremark may make changes to the Services from time to time so long as such changes do not materially alter any of the provisions of this Agreement.

1.3 Participating Pharmacies. Caremark has created a network of Participating Pharmacies, which will perform pharmacy services for Participants.

1.4 Pharmacy Help Desk and Voice Response Unit. Caremark will provide Participating Pharmacies with help desk assistance and access to Caremark's voice response unit during Caremark's hours of operation.

1.5 Claims Processing.

a. Submission of Claims. Caremark will adjudicate Claims submitted by Participating Pharmacies to Caremark in accordance with the Participating Pharmacy's agreement with Caremark and the Consumer Card Program.

b. Collection at Point of Sale. Customer and Member County acknowledge that Participating Pharmacies will collect from the Participant one hundred percent (100%) of the applicable prescription price, discounted at the rates set forth on Exhibit B as applicable, plus a transaction fee from the Participant.

1.5 Customer Service. Caremark will make available to Customer, Member County and Participants a toll free number during those hours of operation maintained by Caremark. Staff will be available to answer questions on the Consumer Card Program and Consumer Card Program guidelines.

1.6 Identification Cards. Caremark will, at its own cost, produce identification cards for Participants, which contain Member County's and Customer's logo(s). Identification cards will be available to any individual the Member County or Customer deem appropriate. Caremark will work with Member County on the distribution method for identification cards; provided, however if Member County requests that Caremark mail the identification cards to Members, postage and handling charges will apply. The Participant shall be responsible for paying for any prescriptions obtained while using the identification card.

1.7 Clinical Services and Drug Utilization Review ("DUR").

a. Clinical Services. Caremark may provide to Member County its member compliance programs and other programs designed to ensure proper drug utilization and encourage the use of cost-effective

medications. These programs may include mailings to Participants with active prescriptions for targeted drug products or drug classes or to let Participants know that they may qualify for participation in a clinical trial program. Such mailings may include Participant and drug specific information and/or general educational material. Participants, by notifying Caremark, may opt-out of such programs.

b. DUR Services. Caremark will provide its automated concurrent DUR Services for Claims. The information generated in connection with DUR Services is intended as an economical supplement to, and not as a substitute for, the knowledge, expertise, skill, and judgment of physicians, pharmacists, or other health care providers in providing patient care. Providers are individually responsible for acting or not acting upon information generated and transmitted through the DUR Services, and for performing services in each jurisdiction consistent with the scope of their licenses. Notwithstanding anything set forth in this Agreement, Caremark will have no obligation to acquire information concerning any Participant beyond the information that is included in Caremark's eligibility records or the Claims submitted by Participating Pharmacies in connection with the Consumer Card Program.

1.8 Formulary Services. Caremark will administer an open formulary for the Member County and will provide certain Services that are designed to provide useful clinical information to physicians (the "Formulary Services"). Caremark may make changes to the Formulary Services described in this Agreement from time to time, and will notify Member County and Customer of any material changes to any formulary management programs. In all cases, the prescribing physician shall have final authority over the drug that is prescribed to the Participant.

a. Rebate Contracts. Caremark contracts with certain Manufacturers for Rebate programs.

b. Disclosure of Manufacturer Fees. Caremark may receive fees or other compensation from Manufacturers, including, without limitation, administrative fees not exceeding three percent of the aggregate cost of the pharmaceutical products dispensed to participants, and fees for property provided or services rendered to a Manufacturer (which may include providing physicians clinical messages consistent with the Performance Drug List, as defined below). Caremark's specialty pharmacies may also receive fees from Manufacturers for products and services provided. In addition, Caremark's mail order and specialty pharmacies may negotiate on their own behalf directly with Manufacturers for discounts, including rebated discounts based on market share or other factors. The term Rebates as used in this Agreement does not include these fees and discounts which belong exclusively to Caremark or Caremark's mail order or specialty pharmacies, respectively.

c. Participant Authorizations and Disclosures. Customer and Member County shall comply with all Laws applicable to it as a sponsor of the Services or as otherwise consistent with its obligations under this Agreement.

d. Additional Participant Discounts. Caremark may provide a program that will provide Participants with additional manufacturer discounts on certain drugs at the point of sale. From time to time, Caremark may revise the list of drugs that have additional participant discounts. The current list of drugs on which Participants may receive additional discounts is available upon request. Caremark will timely notify Member County and Customer of any revisions to this list of drugs.

1.9 Management Reports. Caremark will provide Member County and Customer with Caremark's standard management reports in connection with the Services, which reports may change from time to time at Caremark's discretion. Member County and Customer may elect to receive a reasonable number of the standard management reports made available by Caremark.

1.10 Mail Service Program. Caremark may provide to Member County mail order pharmacy services through its mail order pharmacy facilities. For the duration of this Agreement, Member County agrees that it will offer only Caremark mail order pharmacy services for its Participants covered under this Agreement, as further described below.

Caremark shall fill prescriptions for Participants and shall mail such drugs or medications to such Participants subject to the following terms and conditions:

a. **Distribution of Information.** Caremark shall provide Participants with its standard informational material explaining the mail service and the forms necessary for Participants to utilize mail service. Participants will have toll-free telephone access to a pharmacist and customer service representative. Access to a pharmacist will be available 24 hours per day, seven days per week.

b. **Delivery and Dispensing.** Caremark shall dispense through its mail service pharmacy new or refill prescription orders upon receipt from a Participant of (i) a valid prescription order or a completed refill order form and (ii) the applicable payment. Caremark shall cause the filled prescriptions to be mailed to each Participant via common carrier at the address appearing on the face of the prescription so long as such addresses are in the United States. Caremark shall not be liable to Member County, Customer or Participant for any delay in delivery resulting from circumstances beyond Caremark's control as set forth in Section 6.2.

Caremark's mail order pharmacies may dispense drugs even if the prescription is not accompanied by the correct amount however, Member County and Customer acknowledge and agree that Caremark may refuse to fill any prescription that is either not accompanied by the correct amount and/or for any Participant who has an unpaid balance with Caremark.

1.11 **Preferred Drug Program.** Caremark and the retail Participating Pharmacies will work together to encourage the use of Preferred Drugs by (i) identifying appropriate opportunities for converting a prescription from a non-Preferred Drug to a Preferred Drug, and (ii) contacting the Participant and the prescriber to request that the prescription be changed to the Preferred Drug. A Preferred Drug is one on the Performance Drug List, which has been developed by Caremark as a clinically appropriate and economically advantageous subset of the Caremark Formulary, as revised by Caremark from time to time.

1.12 **Specialty Pharmacy.** Caremark's specialty pharmacy service will be provided by a Caremark specialty pharmacy entity or its affiliate ("Caremark SpecialtyRx"), and offers a distribution channel for certain pharmaceutical products that are generally biotechnological in nature, are given by injection, or otherwise require special handling ("Specialty Medications").

Caremark SpecialtyRx shall provide prescription fulfillment and distribution of Specialty Medications and supplies, pharmaceutical care management services, as well as the types of Service that Member County receives under this Agreement, including but not limited to customer services, utilization and clinical management, integrated reporting and Claims processing ("SpecialtyRx Services").

Caremark SpecialtyRx may receive prescriptions from Participants through an affiliated Caremark mail facility or directly via the U.S. Mail or commercial carrier at the address specified by Caremark from time to time and may also receive prescriptions from physicians by fax or by U.S. Mail/commercial carrier. In accordance with the Consumer Card Program, Caremark SpecialtyRx shall dispense Covered Items in accordance with those prescriptions and mail the Covered Items to Participants at the designated address, so long as such address is located within the United States. Caremark SpecialtyRx may not dispense drugs to Participants who fail to submit the correct payment with their prescription.

Caremark SpecialtyRx pharmaceutical care management services include but may not be limited to: (1) patient profiling focusing on the appropriateness of Specialty Medication therapy and care and the prevention of drug-drug interactions; (2) patient education materials; and (3) disease management and compliance programs with respect to Specialty Medications. As part of these services, Participants will be asked to participate in various surveys.

Caremark will provide Member County and Customer with a list of the Specialty Medications and their corresponding rates (which may vary from Network Rates) upon request. Routine supplies (needles, syringes, alcohol swabs) in a sufficient quantity will be included at no additional expense.

2. FEES AND PAYMENT.

2.1 Fees. The parties agree that, in lieu of billing Member County a "per Claim" fee for Services, Caremark shall retain 100% of the Rebates as reasonable compensation for the Services. Customer and Member County understand and agree that neither they nor any Participant will share in the Rebate monies collected from Manufacturers by Caremark.

2.2 Remedies. In the event Member County or Customer incurs any fee, as identified in Exhibit B, it will pay Caremark such fees as reasonable compensation. In the event any such fees apply and Member County or Customer fails to pay Caremark by the due date any amount owing, Caremark, after making a reasonable effort to collect and upon notice to such Member County or Customer may, in addition to its remedies under this Agreement, at Law or in equity, do any or all of the following: (i) suspend performance of any or all of Caremark's obligations under or in connection with this Agreement with respect to such Member County or Customer, including Caremark's obligation to process Claims or (ii) set off against any amounts payable to such Member County or Customer by any amounts due Caremark from such Member County or Customer.

2.3 Pricing Changes. After the Initial Term of this Agreement, as set forth in Section 7.1, Caremark may change the fees applicable to the Consumer Card Program. Caremark will give Customer sixty days' written notice of any change, and such change will take effect on the first day of the month following the sixty-day notice period. Customer may object to an increase in fees by providing written notice to Caremark at least thirty days before the expiration of the sixty-day notice period. If the parties cannot agree on an appropriate fee, this Agreement will terminate at the end of the sixty-day notice period. If Customer does not timely object, Customer will have no right to terminate this Agreement based on the pricing change.

3. CUSTOMER AND MEMBER COUNTY OBLIGATIONS.

3.1 Marketing Materials. The parties agree to use only those marketing brochures and other advertising materials pertaining to Customer's Consumer Card Program (in any medium, including, but not limited to, written communications, verbal communications and web based marketing) that have been approved by the other. Member County and Customer further agree that they will communicate such requirements to its clients or groups and will ensure that such clients or groups comply with the requirements of this Section 3.1. Caremark may terminate this Agreement immediately in the event Member County or Customer fails to comply with the provisions of this Section 3.1.

Caremark will provide its standard marketing brochures, advertising materials and mail order forms, as applicable, to Member County at no cost. Caremark will work with and support each Member County in marketing the Consumer Card Program at no cost. If the cost associated with providing such materials is determined by Caremark to be unreasonable or excessive, Customer or Member County shall pay for the costs of the materials at a rate to be mutually agreed to by the parties in writing. If Member County or Customer elects to use customized brochures or advertising materials (in any medium, including but not limited to written communications, verbal communications and web based marketing), Member County and Customer will (i) obtain Caremark's approval on such forms, and (ii) pay a reasonable charge, as established by Caremark, for such materials if created or provided by Caremark.

3.2 Support of Consumer Card Program. Customer will recommend and support the Consumer Card Program in accordance with the terms of this Agreement.

4. USE OF AND ACCESS TO INFORMATION.

4.1 Use of Participant Information. Caremark, Customer and Member County may use, disclose, reproduce or adapt information obtained in connection with this Agreement, including Claims ("Claims Information") as well as Eligibility Information, in any manner they deem appropriate, except that each party and its agents, employees and contractors shall maintain the confidentiality of this information to the extent required by applicable Law, and may not use the information in any way prohibited by Law. Any work, compilation, processes or inventions developed by Caremark, Customer, Member County or their respective agents, employees or contractors, is deemed Confidential Information of such party under this Agreement.

4.2 Right to Audit Rebates. Customer, at its sole expense, may audit a reasonable sample of records directly related to Customer's Rebates once in each twelve-month period (following sixty (60) days written notice to

Caremark). Such records shall be limited to information necessary for validating the accuracy of the Rebate amounts distributed to Member County by Caremark. The parties agree that an independent third-party auditor agreeable to Customer and Caremark shall conduct such audit, and that such firm will sign a Caremark confidentiality agreement ensuring that all details and terms of all Manufacturer Rebate contracts with Caremark (except the total aggregate amount due to Customer) will be treated as confidential to Caremark and will not be revealed in any manner or form by or to any person or entity. Furthermore, such audit shall be conducted at Caremark's office where such records are located, during normal business hours, without undue interference with business activities, and in accordance with reasonable audit procedures.

5. CONFIDENTIALITY AND INTELLECTUAL PROPERTY.

5.1 Confidential and Proprietary Information. In connection with this Agreement, each party may disclose to the other party certain proprietary or confidential technical and business information, databases, trade secrets, and innovations belonging to the disclosing party ("**Confidential Information**"), the value of which might be lost if the proprietary nature or confidentiality of such Confidential Information is not maintained. For the purposes of this Section, the contents of this Agreement and of any exhibits, amendments, or addenda attached hereto are deemed Confidential Information. Furthermore, any work, compilation, processes or inventions developed by Caremark, Member County or Customer, or their respective agents, employees or contractors, is deemed Confidential Information of such party under this Agreement. Notwithstanding the foregoing, Confidential Information may be disclosed by Member County in response to a request made pursuant to the Member County's applicable state Public Records Law, insofar as disclosure is required by that Law. Member County shall provide Caremark with (i) notice of its intent to disclose Confidential Information and (ii) an opportunity for Caremark to object to such disclosure in accordance with Law. Attached hereto as Exhibit D is a copy of this Agreement which redacts certain pricing information. Notwithstanding the foregoing, the parties agree that as a matter of convenience, Exhibit D may be disclosed by Member County as required by Member County's applicable Public Records Law without providing Caremark an opportunity to object. Member County agrees to provide Caremark with reasonable notice of its disclosure of Exhibit D.

5.2 Non-Disclosure of Confidential Information. The parties will not (except to the extent expressly authorized by this Agreement) disclose Confidential Information of any other to anyone outside of Caremark, Member County or Customer, nor will they copy or reproduce any Confidential Information of another unless expressly authorized to do so by such party in writing. Each party will disclose Confidential Information of another only to its employees who have a need to know the Confidential Information in order to accomplish the purpose of this Agreement and who (i) have been informed of the confidential and proprietary nature of the Confidential Information, and (ii) have agreed not to disclose it to others. In order to preserve and protect the confidential or proprietary nature of any Confidential Information and to prevent it from falling into the public domain or into the possession of persons not bound to maintain its confidentiality, each party will handle the Confidential Information of any other party with the same degree of care that it applies with respect to its own information that it considers as confidential and proprietary, but in no event with less than reasonable care.

5.3 Exceptions and Permitted Disclosures. The receiving party of Confidential Information will not be liable for any disclosure or use of Confidential Information which is publicly available or later becomes publicly available other than through a breach of this Agreement, or if the Confidential Information is shown by written documentation to be known to the receiving party on the date of execution of this Agreement, having been received from a source (other than a party to this Agreement) that had the right to disclose the Confidential Information.

5.4 Subpoena. Confidential Information may be disclosed pursuant to a bona fide subpoena if the party receiving the bona fide subpoena has given the other party prompt written notice of receipt of the subpoena so that the other party can object or otherwise intervene as it deems proper.

5.5 Return or Destruction of Information. All Confidential Information will remain the property of the disclosing party, and the receiving party will return all written or tangible materials, and all copies thereof, upon request of the disclosing party. If and to the extent feasible, upon termination of this Agreement, Caremark will destroy or will return to Member County or Customer all PHI obtained pursuant to this Agreement and shall retain no copies thereof; provided however, that if such return or destruction is not reasonably feasible, the provisions of Section 4 of this Agreement shall continue to apply to such information after the termination hereof.

5.6 Proprietary to Caremark. Member County and Customer acknowledge that the Formulary is proprietary to Caremark. Further, all Caremark databases, as well as the software, hard coding, and logic used to generate the compilations of information contained in Caremark's Claims adjudication system and in all other databases developed by Caremark or its designees in connection with performing Services including identifiers assigned by Caremark, and the format of all reports, printouts, and copies there from, and any prior and future versions thereof by any name, are the property of Caremark and are protected by copyright which shall be owned by Caremark.

5.7 Tradenames; Trademarks; and Service Marks. None of the parties hereto may use any tradenames, trademarks or service marks of another, or any word or symbol likely to be confused with such tradenames, trademarks or service marks, unless authorized in writing or as expressly permitted by this Agreement.

5.8 Remedies. Any unauthorized disclosure or use of Confidential Information would cause Caremark, Member County or Customer immediate and irreparable injury or loss that cannot be adequately compensated with money damages. Accordingly, if any party hereto fails to comply with this Section 5, the other(s) will be entitled to specific performance including immediate issuance of a temporary restraining order or preliminary injunction enforcing this Agreement, and to judgment for damages (including reasonable attorneys' fees) caused by the breach, and to any other remedies provided by Law.

6. LIMITATION OF LIABILITY; COMPLIANCE WITH LAW.

6.1 Warranty. This Agreement is not a contract for the sale of goods. Caremark will perform the Services in a good and workmanlike manner in accordance with the customs, practices, and standards of providers skilled in the industry. EXCEPT AS WARRANTED IN THIS SECTION 6.1, CAREMARK DISCLAIMS ALL EXPRESS AND ALL IMPLIED WARRANTIES OF ANY KIND, INCLUDING THE SUITABILITY FOR ANY PARTICULAR PURPOSE OF THE DATA GENERATED THROUGH THE CAREMARK SYSTEM. CAREMARK RELIES ON FIRST DATABANK, MEDI-SPAN, OR INDUSTRY COMPARABLE DATABASES IN PROVIDING CUSTOMER, MEMBER COUNTY AND PARTICIPANTS WITH DRUG UTILIZATION REVIEW SERVICES. CAREMARK HAS UTILIZED DUE DILIGENCE IN COLLECTING AND REPORTING THE INFORMATION CONTAINED IN THE DATABASES AND HAS OBTAINED SUCH INFORMATION FROM SOURCES BELIEVED TO BE RELIABLE. CAREMARK, HOWEVER, DOES NOT WARRANT THE ACCURACY OF REPORTS, ALERTS, CODES, PRICES, OR OTHER DATA CONTAINED IN THE DATABASES. THE CLINICAL INFORMATION CONTAINED IN THE DATABASES AND THE FORMULARY IS INTENDED AS A SUPPLEMENT TO, AND NOT A SUBSTITUTE FOR, THE KNOWLEDGE, EXPERTISE, SKILL, AND JUDGMENT OF PHYSICIANS, PHARMACISTS, OR OTHER HEALTH-CARE PROFESSIONALS INVOLVED IN PARTICIPANT'S CARE. THE ABSENCE OF A WARNING FOR A GIVEN DRUG OR DRUG COMBINATION SHALL NOT BE CONSTRUED TO INDICATE THAT THE DRUG OR DRUG COMBINATION IS SAFE, APPROPRIATE OR EFFECTIVE FOR ANY PARTICIPANT. CAREMARK DOES NOT WARRANT THAT ITS SERVICES WILL BE UNINTERRUPTED OR ERROR FREE.

6.2 Force Majeure. Except for the payment obligations set forth in Section 2 of this Agreement, the parties are excused from performance under this Agreement to the extent that a party is prevented from performing any obligation, in whole or in part, as a result of causes beyond its reasonable control, including, acts of God, war, civil disturbance, court order, governmental intervention, Change in Law, nonperformance by the other party or any third party, failures or fluctuations in electrical power, heat, light, air conditioning, or telecommunications equipment. Any nonperformance under this Section 6.2 will not constitute a default or a ground for termination of this Agreement.

6.3 Indemnity. To the extent permitted by applicable Law applicable to Customer and each Member County, Customer and Member County shall indemnify and hold harmless Caremark and its officers, directors, employees, agents, successors, and assigns ("Caremark Indemnitees") for, from and against any damages, costs, or attorney's fees, actually incurred by Caremark a Caremark Indemnitee, as the result of a claim brought by any third party or a participant or beneficiary relating to the Services, provided that the Caremark Indemnitee has acted in a manner that is consistent with this Agreement and applicable standards of care. The foregoing indemnification shall not apply and shall not be enforceable to the extent any applicable Law prohibits a Member County from providing such indemnification. Caremark shall indemnify and hold harmless Member County, Customer and their officers, directors, employees, agents, successors, and assigns (collectively "Customer Indemnitees") for, from and against any damages, costs, or attorney's fees, actually incurred by any Customer Indemnitee, as the result of a third party claim that

Caremark, its officers, directors, employees, agents, successors, or assigns acted with negligence, willfully, and/or in violation of applicable standards of care, provided that the Customer Indemnitee has acted in a manner that is consistent with this Agreement, the Consumer Card Program and applicable standards of care. However, nothing in this Agreement is to be construed as a waiver of governmental immunity as offered by the court or state law.

6.4 Compliance with Law. Customer and Member County will comply with all Laws applicable to its prescription drug benefit plan, including without limitation insurance licensing, antitrust, consumer protection, and any other Laws that may apply. Caremark has no responsibility to advise Member County or Customer about the applicability of or compliance with any applicable Law including, without limitation, HIPAA, the Employee Retirement Income Security Act, or the Americans with Disabilities Act.

Caremark will comply with all Laws applicable to it and to the Services it provides under this Agreement. Member County and Customer have no responsibility to advise Caremark regarding its compliance with any applicable Law.

Effective as of September 8, 2005, each party certifies that it shall not violate the federal anti-kickback statute, set forth at 42 U.S.C. § 1320a-7b(b) ("Anti-Kickback Statute"), or the federal "Stark Law," set forth at 42 U.S.C. § 1395nn ("Stark Law"), with respect to the performance of its obligations under this Agreement. Further, Caremark shall ensure that individuals meeting the definition of "Covered Persons" (as such term is defined in the Corporate Integrity Agreement between the Office of Inspector General of the Department of Health and Human Services and AdvancePCS) shall comply with Caremark's Compliance Program, including training related to the Anti-Kickback Statute and the Stark Law. In addition, Caremark's Code of Conduct and policies and procedures on the Anti-Kickback Statute and Stark Law may be accessed at <http://www.caremark.com/wps/portal/s.155/3370?cms=CMS-2-007764>.

6.5 Change in Law. The parties will attempt to equitably adjust the terms of this Agreement to take into account any Change in Law or any material change in drug industry practice that materially alters the rights or obligations of either party under this Agreement. If the parties are unable to agree upon an equitable adjustment within sixty days after either party notifies the other of such a Change in Law or material change in drug industry practice, this Agreement will automatically terminate.

6.6 Limitations. In no event shall either party be liable to the other party, nor shall Caremark be liable to any Participant for any indirect, special, or consequential damages or lost profits, arising out of or related to performance of this Agreement or a breach of this Agreement, even if advised of the possibility of such damages or lost profits.

Caremark (and its affiliates, directors, employees, agents, successors or assigns) will not be liable for any claim which is asserted by Member County or Customer more than ninety days after Member County or Customer is or reasonably should have been aware of such claim, and will in no event be liable for any claim which is asserted more than twelve months after the event resulting in damages or loss.

Caremark does not direct or exercise any control over the professional judgment exercised by any pharmacist in dispensing prescriptions or otherwise providing pharmaceutical related services at a Participating Pharmacy. Participating Pharmacies are independent contractors, not subcontractors or agents of Caremark, and Caremark shall have no liability to Member County or Customer for a claim arising out of any act or omission of any Participating Pharmacy or its agents or employees.

7. TERM AND TERMINATION OF AGREEMENT.

7.1 Term. This Agreement is for an initial term of two years and four months from the Effective Date, through July 31, 2008 (the "Initial Term"), and will automatically continue in effect for successive one year terms thereafter, subject to the remaining provisions of this Section.

7.2 Termination. This Agreement may be terminated as follows:

a. By any party, with or without cause, at the end of the Initial Term or any renewal term, by giving written notice to the others at least 60 days prior to the end of such Initial Term or renewal term;

b. Automatically, if the parties are unable to agree on an equitable adjustment under Section 6.5 of this Agreement;

c. By any party if another materially defaults in its performance of this Agreement and such default continues without cure for a period of sixty days after the terminating party provides written notice to the defaulting party specifying the nature of the default;

d. By any party, at its option, if any court, or governmental or regulatory agency issues to another party an order or finding of impairment or insolvency, or an order to cease and desist from writing business. The party receiving notice of an order or finding must provide the others written notice within two business days of receipt;

e. By any party if another party: (i) makes an assignment for the benefit of creditors; (ii) has a petition filed (whether voluntary or involuntary) under Title 11 of the United States Code, or any other similar statute now or hereafter in effect; (iii) has a receiver, custodian, conservator, or trustee appointed with respect to all or a substantial part of its property; or (iv) has a proceeding commenced against it which substantially impairs performance hereunder; or

f. By Caremark, immediately on written notice to Member County or Customer, if (i) either fails to comply with the provisions of Section 3.1 of this Agreement, or (ii) Caremark determines, in its sole discretion that Member County or Customer's program may not fully comply with all applicable Laws.

7.3 Effect of Termination and Survival.

Sections 4, 5 and 6 of this Agreement, and obligations arising under this Agreement prior to the effective date of any termination, will survive termination.

8. NOTICES.

All notices under this Agreement must be in writing, delivered in person, sent by certified mail, delivered by air courier, or transmitted by facsimile and confirmed in writing (by air courier or certified mail) to a party at the facsimile number and address shown in this Agreement. A party may notify the other party of any changes in the listed address or facsimile number in accordance with the provisions of this Section. All notices are effective upon receipt.

Notices to Caremark must be addressed as follows:

Vice President, Client Contract Services
Caremark Inc.
2211 Sanders Road, NBT9
Northbrook, IL 60062
Fax No.: 847-559-4302

With a copy to:

Managing Counsel, Client and Account Services
Caremark Inc.
2211 Sanders Road, NBT9
Northbrook, IL 60062
Fax No.: 847-559-4879

Notices to Customer must be addressed as follows:

National Association of Counties
440 First Street, NW
Washington, DC 20001
Attn: Mr. Andrew Goldschmidt, Director, Membership Marketing

Fax No.: (202) 393-2630

9. MISCELLANEOUS.

9.1 Entire Agreement; Interpretation; Amendment; Counterparts. This Agreement (including exhibits, schedules, attachments, or any addendum to this Agreement) constitutes the entire understanding and obligation of the parties with respect to the Services and supersedes any prior agreements, writings, or understandings, whether oral or written. The headings in this Agreement are used only for convenience of reference and do not affect the meaning or interpretation of any provision. The parties may amend this Agreement only through a properly executed writing authorized by both parties. This Agreement may be executed in several counterparts, all of which taken together constitute a single agreement between the parties.

9.2 Binding Effect; Assignment. This Agreement is binding on the parties and their respective successors and permitted assigns. None of the parties may assign this Agreement, in whole or in part, without the prior written consent of the others (which consent will not be unreasonably withheld); except that Caremark may assign this Agreement, in whole or in part, to any entity that controls, is controlled by, or is under common control with Caremark.

9.3 Independent Contractor; Third Parties. The parties to this Agreement are independent contractors, and have no other legal relationship under or in connection with this Agreement. No term or provision of this Agreement is for the benefit of any person who is not a party hereto (including, without limitation, any Participant or broker), and no such party will have any right or cause of action hereunder.

9.4 Waivers. Any failure by a party to comply with any covenant, agreement, or condition herein or in any other agreements or instruments executed and delivered hereunder may be waived in writing by the party in whose favor such obligation or condition runs; except that failure to insist upon strict compliance with any such covenant, agreement, or condition will not operate as a waiver of, or estoppel with respect to, any subsequent or other failure.

9.5 Severability. In the event any term or provision of this Agreement is declared to be invalid or illegal for any reason, this Agreement will remain in full force and effect and will be interpreted as though such invalid or illegal provision were not a part of this Agreement. The remaining provisions will be construed to preserve the intent and purpose of this Agreement and the parties will negotiate in good faith to modify any invalidated provisions to preserve each party's anticipated benefits.

9.6 Enforcement Costs. If any party hereto institutes an action or proceeding to enforce any rights arising under this Agreement, the party prevailing in such action or proceeding will be paid all reasonable attorneys' fees and costs to enforce such rights by the other party, such fees and costs to be set by the court, not by a jury, and to be included in the judgment entered in such proceeding.

9.7 Authority. Each party represents and warrants that it has the necessary power and authority to enter into this Agreement and to consummate the transactions contemplated by this Agreement.

9.8 Exclusivity. Member County and Customer hereby grant Caremark during the term of this Agreement, and any renewals hereof, the exclusive right to provide a Consumer Card Program to Member County and Customer. This exclusive right is solely applicable to Participants designated by Member County as eligible for the Member County's discount consumer card program and shall not affect any other benefits or programs provided to Participants by Member County. Member County and Customer further agree that, during the term of this Agreement and any renewals hereof, it will not negotiate, contract, or agree with any drug manufacturer for the purpose of obtaining Rebates or other discounts related to Participants under this Agreement. Member County and Customer also agree to cancel any existing agreements or contracts with any drug manufacturers related to such drug Rebates or discounts as of the Effective Date of this Agreement. In the event of a breach of this Section by Member County or Customer, Caremark may terminate this Agreement. By entering into this Agreement, Customer does not endorse, and Caremark will not represent Customer's endorsement of any other programs or services which Caremark may offer to a Member County or Participant.

9.9 Drug Classification and Pricing. Caremark shall use the latest edition of the First DataBank Blue Book (with supplements), the Medi-Span Master Drug Pricing Source (with supplements), or any other nationally

recognized pricing source as the source for purposes of pricing and classifying drugs (e.g., legend vs. over the counter, brand vs. generic) in connection with this Agreement.

10. **DEFINITIONS.** The following terms and phrases, when capitalized, have the meanings set forth below.

a. **"AWP"** means the average wholesale price of the drug dispensed as set forth in the latest edition of the First DataBank Blue Book (with supplements), the Medi-Span Prescription Pricing Guide (with supplements) or any other similar nationally recognized reference selected by Caremark.

b. **"Change in Law"** means any (i) change in or adoption of any Law, (ii) change in the judicial or administrative interpretation of any Law, or (iii) change in the enforcement of any Law, occurring after the date Customer is implemented or the Effective Date, whichever is earlier.

c. **"Claim(s)"** mean those claims processed through the Caremark on-line claims adjudication system or otherwise transmitted or processed in accordance with the terms of this Agreement in connection with the Consumer Card Program.

d. **"Covered Items"** mean the prescription drug benefits for which Participants are eligible pursuant to Member County's drug benefit plan.

e. **"Law"** means any federal, state, local or other constitution, charter, act, statute, law, ordinance, code, rule, regulation, order, specified standards or objective criteria contained in any applicable permit or approval, or other legislative or administrative action of the United States of America, or any state or any agency, department, authority, political subdivision or other instrumentality thereof or a decree or judgment or order of a court.

f. **"Manufacturer"** means a pharmaceutical company that has contracted with Caremark (or its affiliate or agent) to offer discounts for pharmaceutical products in connection with Caremark's Formulary Services.

g. **"Maximum Allowable Cost (MAC)"** means the then current maximum allowable cost for a prescription drug listed as a drug available from more than one Manufacturer in Caremark's pharmaceutical MAC pricing formula, including but not limited to formulas utilizing the Medi-Span Master Drug Pricing Source or First Data Bank.

h. **"Participant"** means an individual designated by Member County as eligible for Covered Items under the terms of the Consumer Card Program.

i. **"Participating Pharmacy"** means a pharmacy that has agreed to provide certain pharmacy services to Participants in accordance with the terms of its agreement with Caremark. A list of Participating Pharmacies can be accessed via Caremark's Internet website, which is subject to change from time to time.

j. **"Rebate(s)"** means, for any period, all rebates, reimbursements, or other discounts received under a pharmaceutical manufacturer's discount program with respect to pharmaceutical products dispensed to a Participant under the Consumer Card Program for such period.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their respective duly authorized officers or agents as of the date first above written.

NATIONAL ASSOCIATION OF COUNTIES

CAREMARKPCS HEALTH, L.P.
By: CaremarkPCS Health Systems, LLC,
its General Partner

By: _____
Larry E. Naake

Title: Executive Director

Title: _____

Date: _____

Date: _____

EXHIBIT A
ADDITIONAL SERVICES

Caremark will provide the following services if selected by Customer or Member County for an additional fee as set forth in Exhibit B. The Services are subject to change as provided for in the Agreement. Capitalized terms not defined herein will have the meanings used in the Agreement.

1. **Customer-Specific Programming.** If Customer or Member County requests services or changes to Services that require customized programming or systems work, Caremark will attempt to estimate the time and cost for completion of such work. If Customer or Member County authorizes Caremark to perform such work, it will pay Caremark the cost of performing such work at the programming rate set forth in Exhibit B.

EXHIBIT B
ADMINISTRATIVE FEES

National Association of Counties
Effective March 1, 2006

As consideration for the Services selected by Member County in accordance with the Agreement, Member County will pay to Caremark the fees set forth below:

Administrative Fees

Per Processed Retail Claim	\$0.00
Per Processed Mail Claim	\$0.00

As consideration for the Consumer Card Program selected by Member County in accordance with this Agreement, Member County will pay to Caremark 100% of the Rebates collected from Manufacturers pursuant to this Agreement.

Consumer Card Program Retail Network Rates¹

Brand: AWP-13% + \$3.50 transaction fee or Usual & Customary
Generic: AWP-13% + \$3.50 transaction fee, MAC + \$3.50 transaction fee or Usual & Customary

Mail Service Rates¹

Brand: AWP-19% + \$1.00 dispensing fee
Generic: AWP-50% + \$1.00 dispensing fee

Specialty Pharmacy Rates²

AWP-13% + \$3.50 dispensing fee

Other Fees

Section 1.6 - Card Issuance	No charge
Exhibit A(1) - Customer Specific Programming	\$150.00/Hour

Note: Charges or Services not identified above will be quoted upon request.

1. All claims may be aggregated for purposes of this rate. Actual rates may vary by Participating Pharmacy. Certain retail and mail Claims may be excluded from these rates, including but not limited to (i) Select Generics, which are generic drugs that enter the market with supply limitations or competitive restrictions that limit marketplace competition and (ii) Claims for select injectable drugs and select oral drugs that are bio-technological in nature, compound drugs and those requiring special handling.

2. This rate will apply to Claims for certain drugs filled by Caremark SpecialtyRx, including but not limited to Claims for select injectable drugs and select oral drugs that are bio-technological in nature, compound drugs and those requiring special handling. All Claims may be aggregated for purposes of this rate. Rates for such drugs may vary if filled by a pharmacy other than Caremark SpecialtyRx. Certain drugs will be priced separately from, and not be subject to the contracted rate for prescription Claims due to, among other things, specialized manufacturer processes, limited availability or extraordinary shipping requirements.

Finance Charges. Invoices are assessed finance charges on the amounts not paid within the terms set forth on the invoice. The finance charge shall be in an amount equal to one and one-half percent per month, unless such rate exceeds the maximum rate allowable by applicable Law, in which case such amounts shall bear interest at the maximum legally allowable rate.

Contingency. All prices are contingent upon Member County's full adoption of Caremark's Performance Drug List and formulary management and intervention programs.

EXHIBIT B
ADMINISTRATIVE FEES

Handling Costs. Customer or Member County is in all events responsible for any postage costs or other mailing and handling-related costs incurred by Caremark in connection with the provision of Services or additional services, except as to costs associated with standard Consumer Card Program materials that are shipped by bulk mail to Customer or Member County.

Taxes. It is the understanding of the parties that Participating Pharmacies shall collect from Participants all applicable taxes for Covered Items, and that Caremark is not liable for the payment of applicable taxes. Any other taxes associated with the operation of Member County's Consumer Card Program are the responsibility of Member County.

EXHIBIT C

CAREMARKPCS HEALTH, L.P.
NATIONAL ASSOCIATION OF COUNTIES
MANAGED PHARMACY BENEFIT SERVICES AGREEMENT
FOR MEMBER COUNTY

This Managed Pharmacy Benefit Services Agreement for Member County effective _____
is entered into by and between CaremarkPCS Health, L.P. ("Caremark") and _____

("Member County"). Reference is hereby made to the Managed Pharmacy Benefit Services Agreement Consumer Card Program dated as of March 1, 2006 (the "Agreement") among National Association of Counties ("Customer"), Member County, and Caremark under which Customer has engaged Caremark to provide services to prescription drug plans for Customer and its Member Counties.

MEMBER COUNTY does hereby agree to be bound by, and to assume and perform, each and all of the terms, covenants and conditions of the Agreement as Member County (as defined in the Agreement) in the same manner and to the same extent as if it were a party thereto. Member County acknowledges and agrees that Customer and Caremark may amend all or any portion of the Agreement, except with respect to the Initial Term, and Member County hereby agrees to be bound by any such amendment. Customer shall give Member County reasonable notice prior to the effective date of any such amendment. If such amendment is adverse to Member County or its Participants, Member County may, within ninety (90) days of receiving such notice from Customer, terminate its participation in the Agreement by giving prior written notice to Customer and Caremark.

Each party certifies that it shall not violate the federal anti-kickback statute, set forth at 42 U.S.C. § 1320a-7b(b) ("Anti-Kickback Statute"), or the federal "Stark Law," set forth at 42 U.S.C. § 1395nn ("Stark Law"), with respect to the performance of its obligations under this Agreement. Further, Caremark shall ensure that individuals meeting the definition of "Covered Persons" (as such term is defined in the Corporate Integrity Agreement between the Office of Inspector General of the Department of Health and Human Services and AdvancePCS) shall comply with Caremark's Compliance Program, including training related to the Anti-Kickback Statute and the Stark Law. In addition, Caremark's Code of Conduct and policies and procedures on the Anti-Kickback Statute and Stark Law may be accessed at <http://www.caremark.com/wps/portal/s.155/3370?cms=CMS-2-007764>.

Customer and Caremark, by their signatures hereto, accept and agree to Member County's participation with the Agreement under the terms and conditions of the Agreement. By signing this Managed Pharmacy Benefit Services Agreement for Member County, Member County acknowledges and agrees that the terms of the Agreement have been completely read, fully understood and voluntarily accepted and further agrees to be bound thereby.

NATIONAL ASSOCIATION OF COUNTIES

By: _____

Title: _____

Date: _____

CAREMARKPCS HEALTH, L.P.
By: CaremarkPCS Health Systems, LLC, its
General Partner

MEMBER COUNTY:

PALM BEACH COUNTY
[County Name]

By: _____

Title: Addie L. Greene
Chairperson

Date: _____

By: _____

Title: _____

Date: _____

Approved as to form and legal sufficiency

CAREMARKPCS HEALTH, L.P.

MANAGED PHARMACY BENEFIT SERVICES AGREEMENT

CONSUMER CARD PROGRAM

THIS RESTATED AGREEMENT (the "Agreement") is effective beginning March 1, 2006 (the "Effective Date") among National Association of Counties ("Customer"), counties that are members of the National Association of Counties ("Member County") and CaremarkPCS Health, L.P., formerly known as AdvancePCS Health, L.P. ("Caremark"), for the purpose of delineating the terms and conditions under which Caremark will provide certain managed pharmacy benefit services to Member County and Customer. This restated agreement will amend and replace all existing Member County Agreements.

Customer agrees that it will require each Member County to execute an individual agreement with Caremark in the form attached hereto as Exhibit C (the "Member County Agreement") prior to Caremark's providing Services to such Member County. Caremark will not provide Services to Member County prior to the receipt of the Member County's execution of the Member County Agreement.

1. STATEMENT OF SERVICES / OBLIGATIONS.

1.1 Services. Caremark will provide Member County the services as set forth in this Section 1, and the services described in any attachment, addendum or amendment hereto (collectively the "Services"). Caremark may make changes to the Services from time to time so long as such changes do not materially alter any of the provisions of this Agreement.

1.2 Participating Pharmacies. Caremark has created a network of Participating Pharmacies, which will perform pharmacy services for Participants.

1.3 Pharmacy Help Desk and Voice Response Unit. Caremark will provide Participating Pharmacies with help desk assistance and access to Caremark's voice response unit during Caremark's hours of operation.

1.4 Claims Processing.

a. Submission of Claims. Caremark will adjudicate Claims submitted by Participating Pharmacies to Caremark in accordance with the Participating Pharmacy's agreement with Caremark and the Consumer Card Program.

b. Collection at Point of Sale. Customer and Member County acknowledge that Participating Pharmacies will collect from the Participant one hundred percent (100%) of the applicable prescription price, discounted at the rates set forth on Exhibit B as applicable, plus a transaction fee from the Participant.

1.5 Customer Service. Caremark will make available to Customer, Member County and Participants a toll free number during those hours of operation maintained by Caremark. Staff will be available to answer questions on the Consumer Card Program and Consumer Card Program guidelines.

1.6 Identification Cards. Caremark will, at its own cost, produce identification cards for Participants, which contain Member County's and Customer's logo(s). Identification cards will be available to any individual the Member County or Customer deem appropriate. Caremark will work with Member County on the distribution method for identification cards; provided, however if Member County requests that Caremark mail the identification cards to Members, postage and handling charges will apply. The Participant shall be responsible for paying for any prescriptions obtained while using the identification card.

1.7 Clinical Services and Drug Utilization Review ("DUR").

a. Clinical Services. Caremark may provide to Member County its member compliance programs and other programs designed to ensure proper drug utilization and encourage the use of cost-effective

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medications. These programs may include mailings to Participants with active prescriptions for targeted drug products or drug classes or to let Participants know that they may qualify for participation in a clinical trial program. Such mailings may include Participant and drug specific information and/or general educational material. Participants, by notifying Caremark, may opt-out of such programs.

b. **DUR Services.** Caremark will provide its automated concurrent DUR Services for Claims. The information generated in connection with DUR Services is intended as an economical supplement to, and not as a substitute for, the knowledge, expertise, skill, and judgment of physicians, pharmacists, or other health care providers in providing patient care. Providers are individually responsible for acting or not acting upon information generated and transmitted through the DUR Services, and for performing services in each jurisdiction consistent with the scope of their licenses. Notwithstanding anything set forth in this Agreement, Caremark will have no obligation to acquire information concerning any Participant beyond the information that is included in Caremark's eligibility records or the Claims submitted by Participating Pharmacies in connection with the Consumer Card Program.

1.8 Formulary Services. Caremark will administer an open formulary for the Member County and will provide certain Services that are designed to provide useful clinical information to physicians (the "Formulary Services"). Caremark may make changes to the Formulary Services described in this Agreement from time to time, and will notify Member County and Customer of any material changes to any formulary management programs. In all cases, the prescribing physician shall have final authority over the drug that is prescribed to the Participant.

a. **Rebate Contracts.** Caremark contracts with certain Manufacturers for Rebate programs.

b. [REDACTED DUE TO PROPRIETARY AND CONFIDENTIAL INFORMATION OF CAREMARK.]

c. **Participant Authorizations and Disclosures.** Customer and Member County shall comply with all Laws applicable to it as a sponsor of the Services or as otherwise consistent with its obligations under this Agreement.

d. **Additional Participant Discounts.** Caremark may provide a program that will provide Participants with additional manufacturer discounts on certain drugs at the point of sale. From time to time, Caremark may revise the list of drugs that have additional participant discounts. The current list of drugs on which Participants may receive additional discounts is available upon request. Caremark will timely notify Member County and Customer of any revisions to this list of drugs.

1.9 Management Reports. Caremark will provide Member County and Customer with Caremark's standard management reports in connection with the Services, which reports may change from time to time at Caremark's discretion. Member County and Customer may elect to receive a reasonable number of the standard management reports made available by Caremark.

1.10 Mail Service Program. Caremark may provide to Member County mail order pharmacy services through its mail order pharmacy facilities. For the duration of this Agreement, Member County agrees that it will offer only Caremark mail order pharmacy services for its Participants covered under this Agreement, as further described below.

Caremark shall fill prescriptions for Participants and shall mail such drugs or medications to such Participants subject to the following terms and conditions:

a. **Distribution of Information.** Caremark shall provide Participants with its standard informational material explaining the mail service and the forms necessary for Participants to utilize mail service. Participants will have toll-free telephone access to a pharmacist and customer service representative. Access to a pharmacist will be available 24 hours per day, seven days per week.

b. **Delivery and Dispensing.** Caremark shall dispense through its mail service pharmacy new

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or refill prescription orders upon receipt from a Participant of (i) a valid prescription order or a completed refill order form and (ii) the applicable payment. Caremark shall cause the filled prescriptions to be mailed to each Participant via common carrier at the address appearing on the face of the prescription so long as such addresses are in the United States. Caremark shall not be liable to Member County, Customer or Participant for any delay in delivery resulting from circumstances beyond Caremark's control as set forth in Section 6.2.

Caremark's mail order pharmacies may dispense drugs even if the prescription is not accompanied by the correct amount however, Member County and Customer acknowledge and agree that Caremark may refuse to fill any prescription that is either not accompanied by the correct amount and/or for any Participant who has an unpaid balance with Caremark.

1.11 Preferred Drug Program. Caremark and the retail Participating Pharmacies will work together to encourage the use of Preferred Drugs by (i) identifying appropriate opportunities for converting a prescription from a non-Preferred Drug to a Preferred Drug, and (ii) contacting the Participant and the prescriber to request that the prescription be changed to the Preferred Drug. A Preferred Drug is one on the Performance Drug List, which has been developed by Caremark as a clinically appropriate and economically advantageous subset of the Caremark Formulary, as revised by Caremark from time to time.

1.12 Specialty Pharmacy. Caremark's specialty pharmacy service will be provided by a Caremark specialty pharmacy entity or its affiliate ("**Caremark SpecialtyRx**"), and offers a distribution channel for certain pharmaceutical products that are generally biotechnological in nature, are given by injection, or otherwise require special handling ("**Specialty Medications**").

Caremark SpecialtyRx shall provide prescription fulfillment and distribution of Specialty Medications and supplies, pharmaceutical care management services, as well as the types of Service that Member County receives under this Agreement, including but not limited to customer services, utilization and clinical management, integrated reporting and Claims processing ("**SpecialtyRx Services**").

Caremark SpecialtyRx may receive prescriptions from Participants through an affiliated Caremark mail facility or directly via the U.S. Mail or commercial carrier at the address specified by Caremark from time to time and may also receive prescriptions from physicians by fax or by U.S. Mail/commercial carrier. In accordance with the Consumer Card Program, Caremark SpecialtyRx shall dispense Covered Items in accordance with those prescriptions and mail the Covered Items to Participants at the designated address, so long as such address is located within the United States. Caremark SpecialtyRx may not dispense drugs to Participants who fail to submit the correct payment with their prescription.

Caremark SpecialtyRx pharmaceutical care management services include but may not be limited to: (1) patient profiling focusing on the appropriateness of Specialty Medication therapy and care and the prevention of drug-drug interactions; (2) patient education materials; and (3) disease management and compliance programs with respect to Specialty Medications. As part of these services, Participants will be asked to participate in various surveys.

Caremark will provide Member County and Customer with a list of the Specialty Medications and their corresponding rates (which may vary from Network Rates) upon request. Routine supplies (needles, syringes, alcohol swabs) in a sufficient quantity will be included at no additional expense.

2. FEES AND PAYMENT.

2.1 [REDACTED DUE TO PROPRIETARY AND CONFIDENTIAL INFORMATION OF CAREMARK.]

2.2 Remedies. In the event Member County or Customer incurs any fee, as identified in Exhibit B, it will pay Caremark such fees as reasonable compensation. In the event any such fees apply and Member County or Customer fails to pay Caremark by the due date any amount owing, Caremark, after making a reasonable effort to collect and upon notice to such Member County or Customer may, in addition to its remedies under this Agreement, at Law or in equity, do any or all of the following: (i) suspend performance of any or all of Caremark's obligations under

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or in connection with this Agreement with respect to such Member County or Customer, including Caremark's obligation to process Claims or (ii) set off against any amounts payable to such Member County or Customer by any amounts due Caremark from such Member County or Customer.

2.3 Pricing Changes. After the Initial Term of this Agreement, as set forth in Section 7.1, Caremark may change the fees applicable to the Consumer Card Program. Caremark will give Customer sixty days' written notice of any change, and such change will take effect on the first day of the month following the sixty-day notice period. Customer may object to an increase in fees by providing written notice to Caremark at least thirty days before the expiration of the sixty-day notice period. If the parties cannot agree on an appropriate fee, this Agreement will terminate at the end of the sixty-day notice period. If Customer does not timely object, Customer will have no right to terminate this Agreement based on the pricing change.

3. CUSTOMER AND MEMBER COUNTY OBLIGATIONS.

3.1 Marketing Materials. The parties agree to use only those marketing brochures and other advertising materials pertaining to Customer's Consumer Card Program (in any medium, including, but not limited to, written communications, verbal communications and web based marketing) that have been approved by the other. Member County and Customer further agree that they will communicate such requirements to its clients or groups and will ensure that such clients or groups comply with the requirements of this Section 3.1. Caremark may terminate this Agreement immediately in the event Member County or Customer fails to comply with the provisions of this Section 3.1.

Caremark will provide its standard marketing brochures, advertising materials and mail order forms, as applicable, to Member County at no cost. Caremark will work with and support each Member County in marketing the Consumer Card Program at no cost. If the cost associated with providing such materials is determined by Caremark to be unreasonable or excessive, Customer or Member County shall pay for the costs of the materials at a rate to be mutually agreed to by the parties in writing. If Member County or Customer elects to use customized brochures or advertising materials (in any medium, including but not limited to written communications, verbal communications and web based marketing), Member County and Customer will (i) obtain Caremark's approval on such forms, and (ii) pay a reasonable charge, as established by Caremark, for such materials if created or provided by Caremark.

3.2 Support of Consumer Card Program. Customer will recommend and support the Consumer Card Program in accordance with the terms of this Agreement.

4. USE OF AND ACCESS TO INFORMATION.

4.1 Use of Participant Information. Caremark, Customer and Member County may use, disclose, reproduce or adapt information obtained in connection with this Agreement, including Claims ("**Claims Information**") as well as Eligibility Information, in any manner they deem appropriate, except that each party and its agents, employees and contractors shall maintain the confidentiality of this information to the extent required by applicable Law, and may not use the information in any way prohibited by Law. Any work, compilation, processes or inventions developed by Caremark, Customer, Member County or their respective agents, employees or contractors, is deemed Confidential Information of such party under this Agreement.

4.2 Right to Audit Rebates. Customer, at its sole expense, may audit a reasonable sample of records directly related to Customer's Rebates once in each twelve-month period (following sixty (60) days written notice to Caremark). Such records shall be limited to information necessary for validating the accuracy of the Rebate amounts distributed to Member County by Caremark. The parties agree that an independent third-party auditor agreeable to Customer and Caremark shall conduct such audit, and that such firm will sign a Caremark confidentiality agreement ensuring that all details and terms of all Manufacturer Rebate contracts with Caremark (except the total aggregate amount due to Customer) will be treated as confidential to Caremark and will not be revealed in any manner or form by or to any person or entity. Furthermore, such audit shall be conducted at Caremark's office where such records are located, during normal business hours, without undue interference with business activities, and in accordance with reasonable audit procedures.

5. CONFIDENTIALITY AND INTELLECTUAL PROPERTY.

5.1 Confidential and Proprietary Information. In connection with this Agreement, each party may disclose to the other party certain proprietary or confidential technical and business information, databases, trade secrets, and innovations belonging to the disclosing party (“**Confidential Information**”), the value of which might be lost if the proprietary nature or confidentiality of such Confidential Information is not maintained. For the purposes of this Section, the contents of this Agreement and of any exhibits, amendments, or addenda attached hereto are deemed Confidential Information. Furthermore, any work, compilation, processes or inventions developed by Caremark, Member County or Customer, or their respective agents, employees or contractors, is deemed Confidential Information of such party under this Agreement. Notwithstanding the foregoing, Confidential Information may be disclosed by Member County in response to a request made pursuant to the Member County’s applicable state Public Records Law, insofar as disclosure is required by that Law. Member County shall provide Caremark with (i) notice of its intent to disclose Confidential Information and (ii) an opportunity for Caremark to object to such disclosure in accordance with Law. Attached hereto as Exhibit D is a copy of this Agreement which redacts certain pricing information. Notwithstanding the foregoing, the parties agree that as a matter of convenience, Exhibit D may be disclosed by Member County as required by Member County’s applicable Public Records Law without providing Caremark an opportunity to object. Member County agrees to provide Caremark with notice of its disclosure of Exhibit D.

5.2 Non-Disclosure of Confidential Information. The parties will not (except to the extent expressly authorized by this Agreement) disclose Confidential Information of any other to anyone outside of Caremark, Member County or Customer, nor will they copy or reproduce any Confidential Information of another unless expressly authorized to do so by such party in writing. Each party will disclose Confidential Information of another only to its employees who have a need to know the Confidential Information in order to accomplish the purpose of this Agreement and who (i) have been informed of the confidential and proprietary nature of the Confidential Information, and (ii) have agreed not to disclose it to others. In order to preserve and protect the confidential or proprietary nature of any Confidential Information and to prevent it from falling into the public domain or into the possession of persons not bound to maintain its confidentiality, each party will handle the Confidential Information of any other party with the same degree of care that it applies with respect to its own information that it considers as confidential and proprietary, but in no event with less than reasonable care.

5.3 Exceptions and Permitted Disclosures. The receiving party of Confidential Information will not be liable for any disclosure or use of Confidential Information which is publicly available or later becomes publicly available other than through a breach of this Agreement, or if the Confidential Information is shown by written documentation to be known to the receiving party on the date of execution of this Agreement, having been received from a source (other than a party to this Agreement) that had the right to disclose the Confidential Information.

5.4 Subpoena. Confidential Information may be disclosed pursuant to a bona fide subpoena if the party receiving the bona fide subpoena has given the other party prompt written notice of receipt of the subpoena so that the other party can object or otherwise intervene as it deems proper.

5.5 Return or Destruction of Information. All Confidential Information will remain the property of the disclosing party, and the receiving party will return all written or tangible materials, and all copies thereof, upon request of the disclosing party. If and to the extent feasible, upon termination of this Agreement, Caremark will destroy or will return to Member County or Customer all PHI obtained pursuant to this Agreement and shall retain no copies thereof; provided however, that if such return or destruction is not reasonably feasible, the provisions of Section 4 of this Agreement shall continue to apply to such information after the termination hereof.

5.6 Proprietary to Caremark. Member County and Customer acknowledge that the Formulary is proprietary to Caremark. Further, all Caremark databases, as well as the software, hard coding, and logic used to generate the compilations of information contained in Caremark’s Claims adjudication system and in all other databases developed by Caremark or its designees in connection with performing Services including identifiers assigned by Caremark, and the format of all reports, printouts, and copies there from, and any prior and future versions thereof by any name, are the property of Caremark and are protected by copyright which shall be owned by Caremark.

5.7 Tradenames; Trademarks; and Service Marks. None of the parties hereto may use any

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tradenames, trademarks or service marks of another, or any word or symbol likely to be confused with such tradenames, trademarks or service marks, unless authorized in writing or as expressly permitted by this Agreement.

5.8 Remedies. Any unauthorized disclosure or use of Confidential Information would cause Caremark, Member County or Customer immediate and irreparable injury or loss that cannot be adequately compensated with money damages. Accordingly, if any party hereto fails to comply with this Section 5, the other(s) will be entitled to specific performance including immediate issuance of a temporary restraining order or preliminary injunction enforcing this Agreement, and to judgment for damages (including reasonable attorneys' fees) caused by the breach, and to any other remedies provided by Law.

6. LIMITATION OF LIABILITY; COMPLIANCE WITH LAW.

6.1 Warranty. This Agreement is not a contract for the sale of goods. Caremark will perform the Services in a good and workmanlike manner in accordance with the customs, practices, and standards of providers skilled in the industry. EXCEPT AS WARRANTED IN THIS SECTION 6.1, CAREMARK DISCLAIMS ALL EXPRESS AND ALL IMPLIED WARRANTIES OF ANY KIND, INCLUDING THE SUITABILITY FOR ANY PARTICULAR PURPOSE OF THE DATA GENERATED THROUGH THE CAREMARK SYSTEM. CAREMARK RELIES ON FIRST DATABANK, MEDI-SPAN, OR INDUSTRY COMPARABLE DATABASES IN PROVIDING CUSTOMER, MEMBER COUNTY AND PARTICIPANTS WITH DRUG UTILIZATION REVIEW SERVICES. CAREMARK HAS UTILIZED DUE DILIGENCE IN COLLECTING AND REPORTING THE INFORMATION CONTAINED IN THE DATABASES AND HAS OBTAINED SUCH INFORMATION FROM SOURCES BELIEVED TO BE RELIABLE. CAREMARK, HOWEVER, DOES NOT WARRANT THE ACCURACY OF REPORTS, ALERTS, CODES, PRICES, OR OTHER DATA CONTAINED IN THE DATABASES. THE CLINICAL INFORMATION CONTAINED IN THE DATABASES AND THE FORMULARY IS INTENDED AS A SUPPLEMENT TO, AND NOT A SUBSTITUTE FOR, THE KNOWLEDGE, EXPERTISE, SKILL, AND JUDGMENT OF PHYSICIANS, PHARMACISTS, OR OTHER HEALTH-CARE PROFESSIONALS INVOLVED IN PARTICIPANT'S CARE. THE ABSENCE OF A WARNING FOR A GIVEN DRUG OR DRUG COMBINATION SHALL NOT BE CONSTRUED TO INDICATE THAT THE DRUG OR DRUG COMBINATION IS SAFE, APPROPRIATE OR EFFECTIVE FOR ANY PARTICIPANT. CAREMARK DOES NOT WARRANT THAT ITS SERVICES WILL BE UNINTERRUPTED OR ERROR FREE.

6.2 Force Majeure. Except for the payment obligations set forth in Section 2 of this Agreement, the parties are excused from performance under this Agreement to the extent that a party is prevented from performing any obligation, in whole or in part, as a result of causes beyond its reasonable control, including, acts of God, war, civil disturbance, court order, governmental intervention, Change in Law, nonperformance by the other party or any third party, failures or fluctuations in electrical power, heat, light, air conditioning, or telecommunications equipment. Any nonperformance under this Section 6.2 will not constitute a default or a ground for termination of this Agreement.

6.3 Indemnity. To the extent permitted by applicable Law applicable to Customer and each Member County, Customer and Member County shall indemnify and hold harmless Caremark and its officers, directors, employees, agents, successors, and assigns ("Caremark Indemnitees") for, from and against any damages, costs, or attorney's fees, actually incurred by Caremark a Caremark Indemnitee, as the result of a claim brought by any third party or a participant or beneficiary relating to the Services, provided that the Caremark Indemnitee has acted in a manner that is consistent with this Agreement and applicable standards of care. The foregoing indemnification shall not apply and shall not be enforceable to the extent any applicable Law prohibits a Member County from providing such indemnification. Caremark shall indemnify and hold harmless Member County, Customer and their officers, directors, employees, agents, successors, and assigns (collectively "Customer Indemnitees") for, from and against any damages, costs, or attorney's fees, actually incurred by any Customer Indemnitee, as the result of a third party claim that Caremark, its officers, directors, employees, agents, successors, or assigns acted with negligence, willfully, and/or in violation of applicable standards of care, provided that the Customer Indemnitee has acted in a manner that is consistent with this Agreement, the Consumer Card Program and applicable standards of care. However, nothing in this Agreement is to be construed as a waiver of governmental immunity as offered by the court or state law.

6.4 Compliance with Law. Customer and Member County will comply with all Laws applicable to its prescription drug benefit plan, including without limitation insurance licensing, antitrust, consumer protection, and any

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other Laws that may apply. Caremark has no responsibility to advise Member County or Customer about the applicability of or compliance with any applicable Law including, without limitation, HIPAA, the Employee Retirement Income Security Act, or the Americans with Disabilities Act.

Caremark will comply with all Laws applicable to it and to the Services it provides under this Agreement. Member County and Customer have no responsibility to advise Caremark regarding its compliance with any applicable Law.

Effective as of September 8, 2005, each party certifies that it shall not violate the federal anti-kickback statute, set forth at 42 U.S.C. § 1320a-7b(b) ("Anti-Kickback Statute"), or the federal "Stark Law," set forth at 42 U.S.C. § 1395nn ("Stark Law"), with respect to the performance of its obligations under this Agreement. Further, Caremark shall ensure that individuals meeting the definition of "Covered Persons" (as such term is defined in the Corporate Integrity Agreement between the Office of Inspector General of the Department of Health and Human Services and AdvancePCS) shall comply with Caremark's Compliance Program, including training related to the Anti-Kickback Statute and the Stark Law. In addition, Caremark's Code of Conduct and policies and procedures on the Anti-Kickback Statute and Stark Law may be accessed at <http://www.caremark.com/wps/portal/s.155/3370?cms=CMS-2-007764>.

6.5 Change in Law. The parties will attempt to equitably adjust the terms of this Agreement to take into account any Change in Law or any material change in drug industry practice that materially alters the rights or obligations of either party under this Agreement. If the parties are unable to agree upon an equitable adjustment within sixty days after either party notifies the other of such a Change in Law or material change in drug industry practice, this Agreement will automatically terminate.

6.6 Limitations. In no event shall either party be liable to the other party, nor shall Caremark be liable to any Participant for any indirect, special, or consequential damages or lost profits, arising out of or related to performance of this Agreement or a breach of this Agreement, even if advised of the possibility of such damages or lost profits.

Caremark (and its affiliates, directors, employees, agents, successors or assigns) will not be liable for any claim which is asserted by Member County or Customer more than ninety days after Member County or Customer is or reasonably should have been aware of such claim, and will in no event be liable for any claim which is asserted more than twelve months after the event resulting in damages or loss.

Caremark does not direct or exercise any control over the professional judgment exercised by any pharmacist in dispensing prescriptions or otherwise providing pharmaceutical related services at a Participating Pharmacy. Participating Pharmacies are independent contractors, not subcontractors or agents of Caremark, and Caremark shall have no liability to Member County or Customer for a claim arising out of any act or omission of any Participating Pharmacy or its agents or employees.

7. TERM AND TERMINATION OF AGREEMENT.

7.1 Term. This Agreement is for an initial term of two years and four months from the Effective Date, through July 31, 2008 (the "Initial Term"), and will automatically continue in effect for successive one year terms thereafter, subject to the remaining provisions of this Section.

7.2 Termination. This Agreement may be terminated as follows:

a. By any party, with or without cause, at the end of the Initial Term or any renewal term, by giving written notice to the others at least 60 days prior to the end of such Initial Term or renewal term;

b. Automatically, if the parties are unable to agree on an equitable adjustment under Section 6.5 of this Agreement;

c. By any party if another materially defaults in its performance of this Agreement and such default continues without cure for a period of sixty days after the terminating party provides written notice to the defaulting party specifying the nature of the default;

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d. By any party, at its option, if any court, or governmental or regulatory agency issues to another party an order or finding of impairment or insolvency, or an order to cease and desist from writing business. The party receiving notice of an order or finding must provide the others written notice within two business days of receipt;

e. By any party if another party: (i) makes an assignment for the benefit of creditors; (ii) has a petition filed (whether voluntary or involuntary) under Title 11 of the United States Code, or any other similar statute now or hereafter in effect; (iii) has a receiver, custodian, conservator, or trustee appointed with respect to all or a substantial part of its property; or (iv) has a proceeding commenced against it which substantially impairs performance hereunder; or

f. By Caremark, immediately on written notice to Member County or Customer, if (i) either fails to comply with the provisions of Section 3.1 of this Agreement, or (ii) Caremark determines, in its sole discretion that Member County or Customer's program may not fully comply with all applicable Laws.

7.3 Effect of Termination and Survival.

Sections 4, 5 and 6 of this Agreement, and obligations arising under this Agreement prior to the effective date of any termination, will survive termination.

8. NOTICES.

All notices under this Agreement must be in writing, delivered in person, sent by certified mail, delivered by air courier, or transmitted by facsimile and confirmed in writing (by air courier or certified mail) to a party at the facsimile number and address shown in this Agreement. A party may notify the other party of any changes in the listed address or facsimile number in accordance with the provisions of this Section. All notices are effective upon receipt.

Notices to Caremark must be addressed as follows:

Vice President, Client Contract Services
Caremark Inc.
2211 Sanders Road, NBT9
Northbrook, IL 60062
Fax No.: 847-559-4302

With a copy to:

Managing Counsel, Client and Account Services
Caremark Inc.
2211 Sanders Road, NBT9
Northbrook, IL 60062
Fax No.: 847-559-4879

Notices to Customer must be addressed as follows:

National Association of Counties
440 First Street, NW
Washington, DC 20001
Attn: Mr. Andrew Goldschmidt, Director, Membership Marketing
Fax No.: (202) 393-2630

9. MISCELLANEOUS.

9.1 Entire Agreement; Interpretation; Amendment; Counterparts. This Agreement (including

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exhibits, schedules, attachments, or any addendum to this Agreement) constitutes the entire understanding and obligation of the parties with respect to the Services and supersedes any prior agreements, writings, or understandings, whether oral or written. The headings in this Agreement are used only for convenience of reference and do not affect the meaning or interpretation of any provision. The parties may amend this Agreement only through a properly executed writing authorized by both parties. This Agreement may be executed in several counterparts, all of which taken together constitute a single agreement between the parties.

9.2 Binding Effect; Assignment. This Agreement is binding on the parties and their respective successors and permitted assigns. None of the parties may assign this Agreement, in whole or in part, without the prior written consent of the others (which consent will not be unreasonably withheld); except that Caremark may assign this Agreement, in whole or in part, to any entity that controls, is controlled by, or is under common control with Caremark.

9.3 Independent Contractor; Third Parties. The parties to this Agreement are independent contractors, and have no other legal relationship under or in connection with this Agreement. No term or provision of this Agreement is for the benefit of any person who is not a party hereto (including, without limitation, any Participant or broker), and no such party will have any right or cause of action hereunder.

9.4 Waivers. Any failure by a party to comply with any covenant, agreement, or condition herein or in any other agreements or instruments executed and delivered hereunder may be waived in writing by the party in whose favor such obligation or condition runs; except that failure to insist upon strict compliance with any such covenant, agreement, or condition will not operate as a waiver of, or estoppel with respect to, any subsequent or other failure.

9.5 Severability. In the event any term or provision of this Agreement is declared to be invalid or illegal for any reason, this Agreement will remain in full force and effect and will be interpreted as though such invalid or illegal provision were not a part of this Agreement. The remaining provisions will be construed to preserve the intent and purpose of this Agreement and the parties will negotiate in good faith to modify any invalidated provisions to preserve each party's anticipated benefits.

9.6 Enforcement Costs. If any party hereto institutes an action or proceeding to enforce any rights arising under this Agreement, the party prevailing in such action or proceeding will be paid all reasonable attorneys' fees and costs to enforce such rights by the other party, such fees and costs to be set by the court, not by a jury, and to be included in the judgment entered in such proceeding.

9.7 Authority. Each party represents and warrants that it has the necessary power and authority to enter into this Agreement and to consummate the transactions contemplated by this Agreement.

9.8 Exclusivity. Member County and Customer hereby grant Caremark during the term of this Agreement, and any renewals hereof, the exclusive right to provide a Consumer Card Program to Member County and Customer. This exclusive right is solely applicable to Participants designated by Member County as eligible for the Member County's discount consumer card program and shall not affect any other benefits or programs provided to Participants by Member County. Member County and Customer further agree that, during the term of this Agreement and any renewals hereof, it will not negotiate, contract, or agree with any drug manufacturer for the purpose of obtaining Rebates or other discounts related to Participants under this Agreement. Member County and Customer also agree to cancel any existing agreements or contracts with any drug manufacturers related to such drug Rebates or discounts as of the Effective Date of this Agreement. In the event of a breach of this Section by Member County or Customer, Caremark may terminate this Agreement. By entering into this Agreement, Customer does not endorse, and Caremark will not represent Customer's endorsement of any other programs or services which Caremark may offer to a Member County or Participant.

9.9 Drug Classification and Pricing. Caremark shall use the latest edition of the First DataBank Blue Book (with supplements), the Medi-Span Master Drug Pricing Source (with supplements), or any other nationally recognized pricing source as the source for purposes of pricing and classifying drugs (e.g., legend vs. over the counter, brand vs. generic) in connection with this Agreement.

10. DEFINITIONS. The following terms and phrases, when capitalized, have the meanings set forth below.

EXHIBIT D
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- a. **"AWP"** means the average wholesale price of the drug dispensed as set forth in the latest edition of the First DataBank Blue Book (with supplements), the Medi-Span Prescription Pricing Guide (with supplements) or any other similar nationally recognized reference selected by Caremark.
- b. **"Change in Law"** means any (i) change in or adoption of any Law, (ii) change in the judicial or administrative interpretation of any Law, or (iii) change in the enforcement of any Law, occurring after the date Customer is implemented or the Effective Date, whichever is earlier.
- c. **"Claim(s)"** mean those claims processed through the Caremark on-line claims adjudication system or otherwise transmitted or processed in accordance with the terms of this Agreement in connection with the Consumer Card Program.
- d. **"Covered Items"** mean the prescription drug benefits for which Participants are eligible pursuant to Member County's drug benefit plan.
- e. **"Law"** means any federal, state, local or other constitution, charter, act, statute, law, ordinance, code, rule, regulation, order, specified standards or objective criteria contained in any applicable permit or approval, or other legislative or administrative action of the United States of America, or any state or any agency, department, authority, political subdivision or other instrumentality thereof or a decree or judgment or order of a court.
- f. **"Manufacturer"** means a pharmaceutical company that has contracted with Caremark (or its affiliate or agent) to offer discounts for pharmaceutical products in connection with Caremark's Formulary Services.
- g. **"Maximum Allowable Cost (MAC)"** means the then current maximum allowable cost for a prescription drug listed as a drug available from more than one Manufacturer in Caremark's pharmaceutical MAC pricing formula, including but not limited to formulas utilizing the Medi-Span Master Drug Pricing Source or First Data Bank.
- h. **"Participant"** means an individual designated by Member County as eligible for Covered Items under the terms of the Consumer Card Program.
- i. **"Participating Pharmacy"** means a pharmacy that has agreed to provide certain pharmacy services to Participants in accordance with the terms of its agreement with Caremark. A list of Participating Pharmacies can be accessed via Caremark's Internet website, which is subject to change from time to time.
- j. **"Rebate(s)"** means, for any period, all rebates, reimbursements, or other discounts received under a pharmaceutical manufacturer's discount program with respect to pharmaceutical products dispensed to a Participant under the Consumer Card Program for such period.

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IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their respective duly authorized officers or agents as of the date first above written.

NATIONAL ASSOCIATION OF COUNTIES

By: - Signature on File -
Larry E. Naake

Title: Executive Director

Date: _____

CAREMARKPCS HEALTH, L.P.
By: CaremarkPCS Health Systems, LLC,
its General Partner

- Signature on File -

Title: _____

Date: _____

*EXHIBIT D
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*EXHIBIT A
ADDITIONAL SERVICES*

Caremark will provide the following services if selected by Customer or Member County for an additional fee as set forth in Exhibit B. The Services are subject to change as provided for in the Agreement. Capitalized terms not defined herein will have the meanings used in the Agreement.

1. Customer-Specific Programming. If Customer or Member County requests services or changes to Services that require customized programming or systems work, Caremark will attempt to estimate the time and cost for completion of such work. If Customer or Member County authorizes Caremark to perform such work, it will pay Caremark the cost of performing such work at the programming rate set forth in Exhibit B.

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EXHIBIT B
FEES

[REDACTED DUE TO PROPRIETARY AND CONFIDENTIAL INFORMATION OF CAREMARK.]

EXHIBIT D
REDACTED CONTRACT

EXHIBIT C

CAREMARKPCS HEALTH, L.P.
NATIONAL ASSOCIATION OF COUNTIES
MANAGED PHARMACY BENEFIT SERVICES AGREEMENT
FOR MEMBER COUNTY

This Managed Pharmacy Benefit Services Agreement for Member County effective _____
is entered into by and between CaremarkPCS Health, L.P. ("Caremark") and _____
("Member County").

Reference is hereby made to the Managed Pharmacy Benefit Services Agreement Consumer Card Program dated as of March 1, 2006
(the "Agreement") among National Association of Counties ("Customer"), Member County, and Caremark under which
Customer has engaged Caremark to provide services to prescription drug plans for Customer and its Member Counties.

MEMBER COUNTY does hereby agree to be bound by, and to assume and perform, each and all of the terms, covenants and
conditions of the Agreement as Member County (as defined in the Agreement) in the same manner and to the same extent as if it
were a party thereto. Member County acknowledges and agrees that Customer and Caremark may amend all or any portion of the
Agreement, except with respect to the Initial Term, and Member County hereby agrees to be bound by any such amendment.
Customer shall give Member County reasonable notice prior to the effective date of any such amendment. If such amendment is
adverse to Member County or its Participants, Member County may, within ninety (90) days of receiving such notice from Customer,
terminate its participation in the Agreement by giving prior written notice to Customer and Caremark.

Each party certifies that it shall not violate the federal anti-kickback statute, set forth at 42 U.S.C. § 1320a-7b(b) ("Anti-Kickback
Statute"), or the federal "Stark Law," set forth at 42 U.S.C. § 1395nn ("Stark Law"), with respect to the performance of its obligations
under this Agreement. Further, Caremark shall ensure that individuals meeting the definition of "Covered Persons" (as such term is
defined in the Corporate Integrity Agreement between the Office of Inspector General of the Department of Health and Human
Services and AdvancePCS) shall comply with Caremark's Compliance Program, including training related to the Anti-Kickback
Statute and the Stark Law. In addition, Caremark's Code of Conduct and policies and procedures on the Anti-Kickback Statute and
Stark Law may be accessed at <http://www.caremark.com/wps/portal/s.155/3370?cms=CMS-2-007764>.

Customer and Caremark, by their signatures hereto, accept and agree to Member County's participation with the Agreement under
the terms and conditions of the Agreement. By signing this Managed Pharmacy Benefit Services Agreement for Member County,
Member County acknowledges and agrees that the terms of the Agreement have been completely read, fully understood and
voluntarily accepted and further agrees to be bound thereby.

NATIONAL ASSOCIATION OF COUNTIES

By: Signature on File

Title: _____

Date: _____

CAREMARKPCS HEALTH, L.P.

By: CaremarkPCS Health Systems, LLC, its
General Partner

MEMBER COUNTY:

By: Signature on File

[County Name]

Title: _____

By: Signature on File

Date: _____

Title: _____

Date: _____

NACo Membership
programs ...



Prescription Drug Discount Card Program

CAREMARK Rx was chosen as the program provider after a two-year process that involved the NACo Membership Committee, a consulting firm and a special evaluation committee appointed by the NACo President. This program was chosen not only for its price savings, but also for its ease of use and understanding.

The program provides great flexibility for participating counties. The discount cards can be used by anyone — senior citizens, the elderly or the uninsured. Some counties may use the cards for their jail populations or their employees if they do not have a prescription drug insurance program.

There is no cost to participating counties and no cost to the citizens using the discount card.

Citizens do not have to fill out any forms to participate and; therefore, counties do not have to maintain any database of who has the cards. The card is issued with a brochure and can be used immediately by anyone who needs it.

The discount cards are accepted at more than 57,000 pharmacies nationwide. Overall average savings is about 20 percent... Ranging from 13 percent to 34 percent on purchases of drugs at a local pharmacy. Savings differences are based on brand-named prescriptions vs. generic.

The Prescription Drug Program is open exclusively to NACo member counties.

For more information about NACo's Prescription Drug Discount Card Program, call Andrew Goldschmidt or Emily Landsman at 202.393.6226.

 **NACO Membership**
programs ...

NACO




**Prescription Drug
Discount Card Program**

NACo Prescription Drug Discount Card Program

Summary

- Caremark was chosen as the program provider after a two-year process that involved the NACo Membership Committee, a consulting firm and a special evaluation committee appointed by the NACo President.
- The Caremark program was chosen not only for its price savings, but also for its ease of use and understanding.
- The program provides great flexibility for participating counties. The discount cards can be used by anyone—senior citizens, the elderly, or the uninsured. Some counties may use the cards for their jail populations or their employees if they do not have a prescription drug insurance program.
- There is no cost to NACo, no cost to the counties participating in the program and no cost to the citizens using the discount card.
- Citizens do not have to fill out any forms to participate and, therefore, the counties do not have to maintain any database of who has the cards. The card will be given to citizens with a brochure and can be used immediately by anyone who needs it.
- The discount cards are accepted at more than 57,000 pharmacies nationwide. The overall average savings is about 20 percent. The savings range from 13 percent to 35 percent on purchases of drugs at a local pharmacy and up to 50 percent on mail order purchases. Savings differences are based on brand-named prescriptions vs. generic.
- Only NACo member counties can participate.

Important!

Please familiarize all county program staff with the following protocols for contacting participating pharmacies in regards to the program:

Independent Pharmacies

Caremark will do a communication to respective county pharmacies during each County implementation.

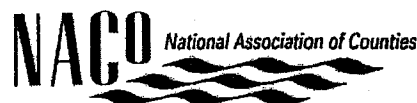
Counties **may contact** independent pharmacies regarding the program.

Chain Pharmacies

Caremark will do a communication to chain corporate pharmacies to have them rollout the communication to the respective counties during each County implementation. Corporate chains have specific procedures that they use to notify their pharmacies.

Counties **may have no contact** with chain pharmacies unless there is an existing personal relationship.

Please contact the NACo membership department at (202) 942-4221 or (202) 942-4242 if you have any questions regarding this contact policy.



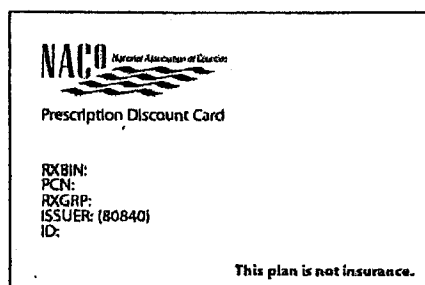
NACo PRESCRIPTION DISCOUNT CARD PROGRAM FACT SHEET

- What It Is:** The NACo drug discount card program helps consumers save money on their prescription medications any time their prescriptions are not covered by insurance. The free cards are distributed in the sponsoring county and may be used at any participating retail pharmacy. The discount card is not insurance.
- Savings:** Savings average 20 percent; some discounts may be more, and some less, depending on the drug and quantity purchased. Cardholders are eligible for higher discounts on a three-month supply of some medications through mail service. Cardholders also can save on pet prescriptions at participating retail pharmacies.
- Who It's For:** The cards may be used by all county residents, regardless of age, income or existing health coverage. There is no enrollment form, no membership fee and no restrictions or limits on frequency of use. Cardholders and their family members may use the card any time their prescriptions are not covered by insurance.
- What It Costs:** Unlike many other card programs, there is no enrollment cost or membership fee. The cardholder pays the negotiated discount price or the pharmacy's retail price, whichever is lower. The average discount is 20 percent.
- Participating Pharmacies:** More than 57,000 pharmacies nationwide accept the card, including most chain pharmacies and many independents. Wal-Mart pharmacies participate in the program.
- Additional Benefits:** The program has a safety feature that alerts pharmacists when one drug may conflict with another medication the cardholder is taking, if the prescriptions were obtained with the NACo discount card.
- The NACo discount card program remains a useful option now that Medicare Part D has been implemented. For example, the card can be used when a Medicare Part D plan doesn't cover a drug.
- About Caremark:** The program is administered by Caremark Rx, Inc., a leading pharmaceutical services company with broad experience in managing drug discount card programs for sponsoring clients. Caremark negotiates with pharmacies to offer a discount off their retail prices. Most pharmacies contract to participate because it draws customers to their stores. Caremark derives revenue from the program in the form of a small fee that the pharmacy pays on each transaction. The fee is a small fraction of the total transaction amount.
- Discount Card Details**
- Rebates:** Few manufacturers pay rebates on the discount card program. Caremark shares a portion of the rebate with the consumer at the point of sale via an increased discount. The retail pharmacy is reimbursed for this additional discount.
- Data Collection:** Cardholder information remains confidential and is not resold to a third-party for any reason.
- Drug Distribution:** Caremark negotiates with retail pharmacies to offer discounts off retail prices at the point of purchase. Some news reports have incorrectly stated that Caremark purchases prescription drugs and distributes them to retail pharmacies.

NACO PRESCRIPTION DISCOUNT CARD

National Association of Counties

Marketing Strategies & Guidelines



NACO PRESCRIPTION DISCOUNT CARD

Marketing Strategies & Guidelines

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MARKETING STRATEGIES AND GUIDELINES

NACo Prescription Discount Card Overview

The National Association of Counties has contracted with Caremark to provide a prescription discount card for member counties to offer to their uninsured and underinsured residents. The rising cost of prescription drugs coupled with the growing population of the uninsured has created a crisis in our country. The National Association of Counties (NACo) has recognized an opportunity to help member counties offer a prescription discount card program, for minimal investment, to help uninsured and underinsured county residents save money on their prescriptions.

The NACo Prescription Discount Card provides the following benefits to program participants:

- Average savings of 20 percent
- Extra savings available through mail service
- Savings on specialty medications
- No enrollment fees
- No age requirements
- No income requirements
- Family coverage with just one card
- Over 57,000 participating pharmacies
- All commonly prescribed medicine is covered
- Unlimited use
- Access to <https://naco.advancerx.com> to learn more about: Health topics/Participating retail pharmacies/Drug interactions/News articles from leading health journals.

The NACo Prescription Discount Card offers the following benefits for member counties offering the program:

- No enrollment fees
- No eligibility transmission required
- Marketing Kit including:
 - Pre-approved press releases
 - Promotional poster
 - Program participant letter/newsletter/e-mail copy
 - Card graphic
- Customer care support provided by Caremark
- Web site support
- Program participant ID cards co-branded with the county seal/logo

MARKETING STRATEGIES AND GUIDELINES

General Marketing Guidelines

The Marketing Kit provides pre-approved promotional collateral. If additional materials are required and developed, the material must be sent to NACo and Caremark for approval prior to use.

NACo Contact:

Andrew Goldschmidt
Director, Membership/Marketing
NACo—National Association of Counties
Phone: (202) 942-4221
E-mail: agoldschmidt@naco.org

Caremark Contact:

Jennifer Johnston, Marketing Analyst
Phone: (888) 727-5594 ext. 0852
E-mail: jennifer.johnston@caremark.com

Program Name

Please use the following when referring to the discount card program by name:

- The NACo Prescription Discount Card Program
- The NACo Prescription Discount Card Program brought to you by [county name] County.
- The [insert county name] Discount Card Program in partnership with the National Association of Counties (NACo).

Program Statistics

Savings

It is important to set the correct expectation for potential program participants as to the savings available in this program. The following are the only approved savings statistics that can be quoted for the program.

- Average savings of 20 percent compared to regular retail prices.
- Average savings of 14 percent off brand name medicine and an average savings of 34 percent off generic medicine compared to regular retail prices.
- Average savings of 20 percent and an average savings of 50 percent on select generics through mail service.

MARKETING STRATEGIES AND GUIDELINES

Participating Retail Pharmacies

Almost all large chain pharmacies and many independent pharmacies participate in the NACo Prescription Discount Card Program. The following statistics reflect the participating retail pharmacies for the program nationwide.

- Over 57,000 participating retail pharmacies nationwide.
- Eight out of 10 retail pharmacies participate in the program.

Participating retail pharmacy statistics for a specific county are available on request.

Legal Disclaimers

Many states have laws regarding discount card programs such as the NACo Prescription Discount Card. The following disclaimers must be on all promotional materials to comply with state laws.

- **This plan is not insurance** – this must appear in at least 8-point bold font.
- **Savings are only available at participating pharmacies** – this must appear in at least 10-point bold font.

Promotional Strategies

The following strategies are only suggestions to consider when developing a discount card marketing plan.

Public Relations

A county can leverage existing relationships with local media to promote their program. This is a good option because it is inexpensive and provides good local exposure.

- **Press Releases** – two pre-approved press releases are included in the marketing kit. One is written to support the launch of the program and the second is written to gain exposure once the program is up and running for awhile. Please submit any original press releases to NACo and Caremark for approvals prior to release.
- **Press Conferences** – a Frequently Asked Questions (FAQ) section is included at the end of this document to assist you with handling questions from the media.

MARKETING STRATEGIES AND GUIDELINES

- Photo Opportunities/Events – in conjunction with the launch of the program, a county could organize an event at a local pharmacy, inviting the local press and others to be present when the new discount card is used in the county for the first time. A list of local independent pharmacies can be provided to assist you in coordinating such an event.
- Press Kits – all press kit contents that are not part of the marketing kit must be submitted to NACo and Caremark for approval prior to distribution.

Community Services

Prescription discount cards can be promoted and distributed through existing community services. These distribution locations leverage existing relationships in the community and these services may touch the lives of uninsured individuals.

Local meetings at community service locations for county residents to attend and get information on the program can also be a good promotional tool.

County Web Site

Advertising this program on the county Web site is recommended. This is very inexpensive and is an easy way to gain exposure for the program.

A banner ad can be used to provide a link from within a county Web site to the main program participant Web site for this program (<https://naco.advancex.com>). Please submit any Web site pages to NACo and Caremark for approval prior to posting the pages in production.

Including a list of county distribution locations for the discount cards on the Web site is also recommended. This provides county residents with an easy resource to find out where and how they can pick up a card. Furthermore, Caremark will link from the main program participant Web site to this page to provide a list of locations from which a county resident can pick up a card. This list will also be used by Caremark Customer Care to answer questions from county residents about how they can get a card for themselves.

County Events

Local events can be a good opportunity to promote the program and distribute discount cards. A good example of an event would be a county fair or health fair.

MARKETING STRATEGIES AND GUIDELINES

Direct Mail

Direct mailing is not included in the support services for this program; however, counties are welcome to develop a direct mail campaign as part of the promotional strategy. Direct mailings should include the ID card/brochure and a letter explaining that the county is providing this program for free to county residents. The marketing kit includes program participant copy that can be used in a letter to accompany the ID card in the mailing. Please submit all other materials to NACo and Caremark for approval prior to printing and mailing.

Radio/TV

Local television and radio advertising delivers a promotional message to a large audience; however, the cost of this type of promotion can be prohibitive. Many times advertising for this type of program qualifies as a public service announcement (PSA), which can cut the cost of the advertising. Another approach is to partner with a community service organization or charity to add the discount card promotion to an already planned advertising campaign.

Promotional Materials

Pre-approved promotional tools are included in the marketing kit. All new materials must be submitted to NACo and Caremark for approval prior to print and use.

Promotional Poster

Included in the marketing kit is an 11X17 promotional poster (pdf format) that can be further customized (using Acrobat or graphic design software) and posted within the community to raise awareness of the program. Any changes must be submitted to NACo and Caremark for approvals prior to use.

Program Participant Copy

Also included in the marketing kit is copy designed to be used directly with county residents via letter, e-mail, newsletters, etc. This is pre-approved copy that can be used directly with county residents to promote the program. It can be sent directly by the county or added to other community service organizations, charities communications or Web sites. Any changes or new copy developed must be submitted to NACo and Caremark for approvals prior to use.

MARKETING STRATEGIES AND GUIDELINES

Web Site Banner Ads

Consider working with community service and other local organizations to place banner advertisements on their Web sites. The banner advertisements may link to the county's Web page for the program or the main program participant Web site (<https://naco.advancerx.com>).

Distribution Channels

Prescription discount cards benefit individuals who are uninsured or underinsured and who take prescription drugs regularly. This target market should be kept in mind when planning the distribution channels for the county discount card.

The Uninsured Market

Approximately 43.6 million Americans are without prescription coverage according to the 2002 U.S. Census. Another study conducted by Families USA found that over 80 million Americans did not have health insurance for all or part of 2002 and 2003. USA Families further discovered that approximately 26.3 million of these uninsured individuals were under the age of 65.

Uninsured individuals may be:

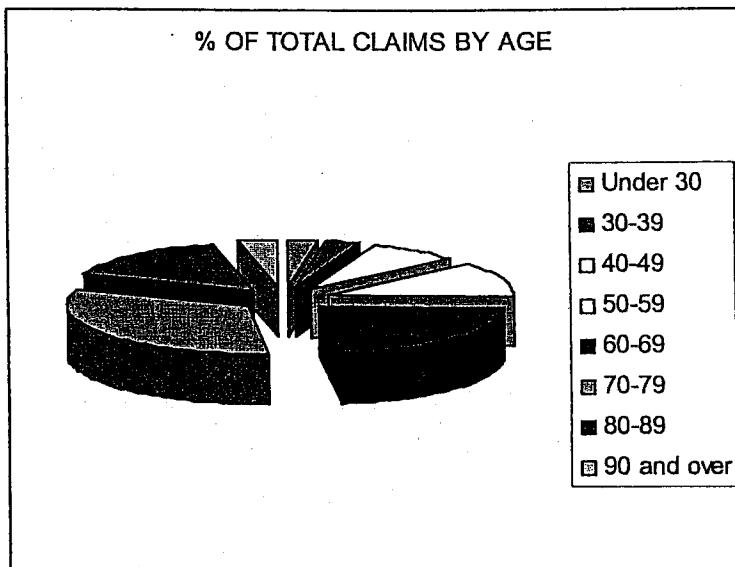
- Unemployed
- Part-time employee
- Low wage earner
- Small business owner or employee
- Self employed
- Retired
- Senior Citizen
- Medicare beneficiary

Demographics

Even though the discount card market primarily consists of seniors on Medicare, almost 20 percent of the market is age 40 through 59. Statistically, a majority (approx. 60 percent) of discount cardholders are female. See the chart below for detail of discount cardholders by age.

MARKETING STRATEGIES AND GUIDELINES

AGE	Under 30	30-39	40-49	50-59	60-69	70-79	80-89	90 and over
% OF TOTAL CLAIMS	2.78%	3.06%	7.75%	11.92%	22.55%	32.37%	15.90%	3.68%



Caremark Data

The Underinsured Market

Underinsured individuals have medical and prescription insurance, but their coverage may have limitations. A discount card can benefit an underinsured individual when an uncovered prescription drug is needed.

Examples of Distribution Channels

It is up to the county to identify and manage the distribution of the discount cards in the community. Listed below are some suggestions for distribution channels:

- Community services
- Physicians
- Pharmacies
- Senior centers
- Hospitals
- Clinics

MARKETING STRATEGIES AND GUIDELINES

- Churches/Synagogues, etc.
- Health fairs
- County Fairs
- Major athletic events (Marathons, etc.)
- Health Associations (local Heart Associations, etc.)
- Employment fairs

Frequently Asked Questions (FAQ)

General Questions

How much does the plan cost?

Your prescription discount card is provided to you free of charge by the county.

Does everyone in my family need an individual card?

No. Everyone in the family may use the same card if desired.

Can I use this card to get discounts on my pet's medications?

Yes, if your pet has been prescribed a medication, you may receive a discount on the medication by taking the prescription to a participating retail pharmacy.

I just received my card. Can I use it right away?

Yes, just use your card to start saving immediately. Present your prescription discount card at a participating retail pharmacy when you fill or refill your prescriptions.

I've lost my card. How can I get a replacement?

Please call toll free 1-877-321-2652.

Can I use my card to get discounts on over-the-counter products and non-prescription medications?

Not usually. However, discounts are available for many diabetic supplies.

How is this prescription discount program different from traditional prescription insurance?

This plan is not insurance; it is a prescription discount program. The card provides immediate discounts at the pharmacy. Upon presenting your card to the pharmacist, you will pay the lower of a discounted price or the pharmacy's regular retail price. There are no claim forms to fill out and no limit to the number of

MARKETING STRATEGIES AND GUIDELINES

times you can use the card. These discounts are available only at participating retail pharmacies.

Can I use my prescription discount card with my current insurance benefit to reduce my costs?

Your card cannot be used in conjunction with other insurance. However, you are able to use your card to purchase prescriptions that are not covered by these plans.

Pharmacy and Pricing Questions

Which pharmacies accept the card?

The prescription discount card is accepted at 57,000 retail pharmacies nationwide, including many of the leading chains. Ask your local pharmacy if they participate or call toll free 1-877-321-2652 to find out if a specific pharmacy participates in the program.

How much will I save?

While savings on each prescription may vary, you can save an average of 20 percent off of the pharmacy's regular retail prices for prescription drugs. In addition, you may save even more by choosing from our list of select medications. This list is comprised of products offering additional savings.

Will I always receive the lowest price?

Yes. You will receive the best price available to you through this program at the pharmacy. **On occasion, pharmacies will price a particular medication lower than the discount rate provided by the card. If that occurs, you will receive the lower price.**

Can I find out the discounted price of my prescriptions before going to the pharmacy?

Because prices can vary by location, only the actual pharmacy can tell you the exact price of the prescription. However, you can look up an estimated price for medications at <https://naco.advancerx.com>, or call toll free 1-877-321-2652.

Why did the price of my prescription change since the last time I purchased the prescription?

Drug prices are different from pharmacy to pharmacy. Even chains have different prices in their stores depending on the population they are servicing. Additionally, manufacturers' drug prices change periodically.

The brochure says I can save an average of 20 percent on my prescription medication. Will I save 20 percent on all my medications?

Because a pharmacy's retail price or usual and customary charge can differ greatly

MARKETING STRATEGIES AND GUIDELINES

by pharmacy, your exact percentage of savings may vary depending on the prescription drug and the price you have paid before.

About Specialty Pharmacy

What is specialty pharmacy and what kinds of services do they offer?

Specialty pharmacy offers delivery of injectable and select oral specialty medication and supplies to the location of your choice. Services include delivery notification and refill reminder calls to help you stay on your treatment plan. You'll also receive expert care services including counseling, follow up care calls, informative disease-related materials, and access to health experts 24 hours a day, seven days a week.

What drugs are offered through specialty pharmacy?

Medications for a variety of chronic conditions including multiple sclerosis, rheumatoid arthritis, cystic fibrosis, hemophilia, infertility, immunologic disorders, Crohn's disease, Gaucher disease, pulmonary hypertension, Fabry disease, MPS 1, blood dyscrasia, growth hormone deficiency, respiratory syncytial virus, hepatitis C and more are available through specialty pharmacy.

About the Caremark Mail Service Program

What is Mail Service?

With the Caremark Mail Service program, you can purchase up to a 90-day supply of select medications from the mail service pharmacy for a fixed price. It's easy to get started with mail service—just send in the mail service order form along with your original prescription, to Caremark. For a list of medications available through and to receive an order form please call toll free 1-877-321-2652 or visit <https://naco.advancerx.com>.

Participating Retail Pharmacies

A & P Pharmacy
 Accredo Health Group, Inc.
 ACME Pharmacy
 Albertsons Pharmacy
 Ameridrug Pharmacy
 Arrow Prescription Center
 Aurora Pharmacy
 Baker's Pharmacy
 Bartell Drug
 Bashas' United Drug
 Bel Air Pharmacy
 Big Y Pharmacy
 Bigg's Pharmacy
 Bioscrip Pharmacy
 Bi-Lo Pharmacy
 Bi-Mart Pharmacy
 BJ's Pharmacy
 Brooks Maxi Drug
 Brooks Pharmacy
 Brookshire Brothers Pharmacy
 Brookshire Pharmacy
 Bruno's Pharmacy
 Buehler's Pharmacy
 Carecenter Pharmacy
 Caremark Pharmacy
 Carle RX Express
 Carr-Gottstein Foods
 Cashwise Pharmacy
 City Market
 Clinic Pharmacy
 Coborn's Pharmacy
 Community Pharmacy
 Costco
 Critical Care Systems
 Cub Pharmacy
 Curascript Pharmacy
 CVS Pharmacy
 D & W Pharmacy
 Dahl's Pharmacy
 Dierbergs
 Dillon Pharmacy
 Discount Drug Mart
 Doc's Drugs
 Dominick's Pharmacy
 Drug Barn
 Drug Basics
 Drug Emporium
 Drug Fair
 Drug Mart
 Drug Town Pharmacy
 Drug Warehouse
 Drug World
 Drugs for Less
 Duane Reade
 Eaton Apothecary
 Eckerd Drugs
 Econofoods Pharmacy

Fagen Pharmacy
 Fairview
 Family Fare Pharmacy
 Family Pharmacy
 Familymeds Pharmacy
 Farm Fresh Pharmacy
 Farmer Jack Pharmacy
 Food 4 Less Pharmacy
 Food City Pharmacy
 Food Lion Pharmacy
 Food Town
 Food World Pharmacy
 Fred Meyer's Pharmacy
 Fred's Pharmacy
 Fred's Xpress
 Fruth Pharmacy
 Fry's Food and Drug
 Genuardi's Pharmacy
 Gerbes Pharmacy
 Giant Eagle Pharmacy
 Giant Pharmacy
 Glen's Pharmacy
 Good Neighbor Pharmacy
 Haggen Pharmacy
 Hannaford Food & Drug
 Happy Harry's
 Harmons Pharmacy
 Harps Pharmacy
 Harris Teeter Pharmacy
 Harvest Foods Pharmacy
 Harveys Supermarket
 Pharmacy
 HealthPartners
 H-E-B Pharmacy
 Hen House Pharmacy
 Henry Ford Medical Center
 Pharmacy
 Hi-School Pharmacy
 Hillander Pharmacy
 Homeland Pharmacy
 Horton & Converse
 Hy-Vee Pharmacy
 Ingles Pharmacy
 Integrity Healthcare Services
 Kash n' Karry Pharmacy
 Keltsch Pharmacy
 Kerr Drug
 Kessel Pharmacy
 Kindred Pharmacy Services
 King Kullen Pharmacy
 King Soopers Pharmacy
 Kinney Drugs
 Klein's Pharmacy
 Klingensmith's Drug
 Kmart Pharmacy
 Knight Drug
 Kroger Pharmacy

Lifechek Drug
 Lobill Pharmacy
 Longs Drug Store
 Lovelace Sandia Pharmacy
 Marc's
 Marc's Pharmacy
 Marsh Drug Stores
 Martins Pharmacy
 May's Drug Store
 Med-Fast Pharmacy
 Med-X Drug
 Meijer Pharmacy
 Morton Pharmacy
 Mr. Z's Pharmacy
 Navarro Discount Pharmacy
 NCS Healthcare
 Neighborcare
 Omnicare Pharmacy
 Oncology Pharmacy Services
 Option Care
 Osco Drug
 P & C Food Market
 Pharmacy
 Pacmed Clinic Pharmacy
 Pamida Pharmacy
 Pathmark Pharmacy
 Patient First Pharmacy
 Pavilions Pharmacy
 Pharma-Card
 Pharmacare Specialty
 Pharmacy
 PharmERICA
 Pine Knob Pharmacy
 Prairiestone Pharmacy
 Price Chopper Pharmacy
 Price Cutter Pharmacy
 Publix Pharmacy
 QFC Pharmacy
 Quality Markets
 Quick Chek Pharmacy
 QVL Pharmacy
 Raley's Drug Center
 Ralphs
 Randalls Pharmacy
 Rite Aid Pharmacy
 RXD Pharmacy
 Safeway
 Sam's Club Pharmacy
 Sav-A-Center Pharmacy

Sav-Mor
 Sav-on
 Save Mart Pharmacy
 Schnucks Pharmacy
 Scolari's
 Shaw's Pharmacy
 Shop 'n Save Pharmacy
 Shopko Pharmacy
 Shoppers Pharmacy
 Shoprite Pharmacy
 Smith's Food & Drug
 Snyders Drug Store
 Southern Family Market
 St. John Pharmacy
 Star Pharmacy
 Stop & Shop Pharmacy
 Sunscript Pharmacy
 Super 1 Pharmacy
 Super D Drugs
 Super D Express RX
 Super Fresh Pharmacy
 Super G Discount Drugs
 Super RX Pharmacy
 Superfoodmart Pharmacy
 Sweetbay Supermarket
 Target Pharmacy
 The Medicine Shoppe
 The Pharm
 The Village Pharmacy
 Times Pharmacy
 Tom Thumb Pharmacy
 Top Food & Drug
 Tops Pharmacy
 Ukrop's Pharmacy
 United Pharmacy
 USA Drug
 UW Health Pharmacy
 Services
 Vons Pharmacy
 Waldbaum's Pharmacy
 Walgreens
 Wal-Mart Pharmacy
 Weber & Judd
 Wegmans Pharmacy
 Weis Pharmacy
 White Drug
 Winn-Dixie Pharmacy

Rev 02/07

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**Medicare
 Beneficiaries
 Should Still
 Have a Drug
 Discount Card**

CAREMARK
It all starts with care.

Make sure you pay discounted rates for all of your prescription drugs.

The Medicare prescription drug plan is designed to help you save money on your prescription drugs. After paying a deductible, you pay only a portion of the plan's price for your drugs until you reach a set spending level - the "coverage gap." After the coverage gap, you will be provided with assistance in paying for your drugs again. This is a great way to save money if you spend over \$600 a year on prescription drugs.

There may be a penalty if you do not enroll in the Medicare prescription drug plan by the enrollment deadline. Specifically, if you go 63 days or longer without prescription drug coverage that's at least as good as Medicare's prescription drug coverage, your monthly premium for Medicare prescription drug coverage may go up at least 1% per month for every month that you do not have Medicare prescription drug coverage.



Here's how the Medicare prescription drug coverage works:

For \$22 a month...	You pay	Prescription Drug Plan pays
First \$265 of annual drug costs	100%	0%
\$266 - \$2,400 of annual drug costs	25%	75%
\$2,401 - \$3,850 of annual drug costs	100%	0%
\$3,851 and up	5%	95%

This chart reflects the prescription drug plan costs set forth by the federal government. Other Medicare prescription drug plan structures may vary.

Here's how that would work:

1% of the \$22/month premium¹ for the number of months that you delay enrolling after the deadline will be added onto your monthly premium. This added cost may become part of your monthly premium for as long as you are enrolled in the Medicare prescription drug plan. So if you decided to enroll twelve months after the deadline, based on a \$22/month premium, your penalty would be \$.220 x 12, or \$2.64 more per month*.

If you do the math, in some cases you might save money by waiting until you spend at least \$600² per year for your prescription drugs. You can use a prescription drug discount card to save money on your drug costs whether you decide to enroll in a Medicare prescription drug plan or not.

* Note: The above example is for illustrative purposes only. The monthly premium amount may vary for different Medicare prescription drug plans. Additional subsidies available to those with low income are not reflected in this chart.

A drug discount card may be right for you. If you don't spend approximately \$600 per year on prescription drugs and you do not qualify for the low-income subsidy, you may just want to use a prescription drug discount card. In that case, instead of paying full retail prices, you will receive negotiated discounted prices. This is a great and easy way to save on your prescription drug costs.

Even if you do sign up for the Medicare prescription drug plan, a discount drug card can help you save!

Any time you are prescribed a drug that is not covered by the Medicare prescription drug plan, you can use your drug discount card to save money. Uncovered drug costs do not count toward your deductible or other out-of-pocket costs that, when they reach the annual limit, would allow you to receive catastrophic coverage costs if you are enrolled in a Medicare prescription drug plan. And, uncovered drugs are not provided to you at negotiated discount rates, which you can get with a drug discount card.

So, why spend more than you need to?

¹ This monthly premium is used for illustration purposes only, and the actual premium will vary from plan to plan.

² This amount is reached by adding up the deductible, co-insurance and premium costs of a Medicare prescription drug plan. This is for illustration purposes only, actual out-of-pocket costs will vary from plan to plan.



Caremark Discount Card Program Media Kit

Caremark Rx, Inc., a leading pharmaceutical services company, provides this Discount Card Program Media Kit to help the National Association of Counties (NACo) and its affiliate counties and government leaders to gain media coverage in local and regional areas.

Kit Contents

This kit contains an effective media relations guide, a Caremark Discount Card Program fact sheet, a media release template, and a Caremark Discount Card Program image. Some more information about Caremark and the aim of the Discount Card Program are also included in a separate fact sheet.

Media Relations Basics

The Caremark Discount Card Program provides consumers an opportunity to save money on their prescription medications any time their prescriptions are not covered by insurance. By offering this program, NACo-affiliated counties are able to provide a no-cost health service to its citizens.

There are several options available when trying to engage the news media's interest:

- 1) Provide an exclusive to guarantee coverage. Be proactive and suggest the story idea to a specific reporter, editor or news director.
- 2) Coordinate a media conference to make a public announcement.
- 3) Use a broad approach and send a news release to all targeted media outlets.

Also, it is important to be aware that the pharmaceutical benefits managers like Caremark are frequently in the news. As a result, you may get some direct questions about Caremark and why they were chose to administer this program. The Caremark fact sheet should enable you to address these questions or concerns, however we encourage you to contact the Caremark media relations team at (615) 743-6648 if you are face any difficulty in addressing the inquiries.

Option One: Provide an Exclusive

Suggest the story idea to a specific reporter, editor or news director. [Before doing so, carefully formulate your story angle. Be brief and concise. Give the targeted media rep as much lead time as possible. If you pursue this option, you are implicitly agreeing to give this individual media outlet an exclusive "first run opportunity" on the news story, so don't compromise your integrity for future opportunities by giving the same story to a competitive media outlet until you have been turned down. You can still suggest your story to other media outlets which have later deadlines, but let the reporter know you have contacted other media. For example, after the exclusive is given to a TV news reporter, you can suggest the story to the weekly neighborhood newspaper or to a monthly health-oriented magazine.

Option Two: Hold a Media Conference

Send a news release and media conference invitation to all targeted media. Coordinate the date, time, place and other logistics with key officials who are knowledgeable of the subject. Make sure the participants are prepared with statements, key messages and the fact sheet. These officials need to be concise and factual in their statements. There are many details to cover when holding a media conference, but it can be an efficient way to get news coverage.

Option Three: Broad Based News Release

Send a news release and fact sheet to all targeted media outlets. Be timely and keep in mind the elements listed above for effective media relations.

News Release Guidelines

When writing the news release, use the journalistic "inverted pyramid" style of writing. This style includes the most important details in the lead sentence and first paragraph of the news release, and then progress to the least important information. Make sure the information in the news release answers the questions: who, what, when, where, why and how.



Make sure that the news release is properly written and presented in an acceptable news release format. Verify spelling and check punctuation. Limit the release to no more than two double-spaced pages.

Select the appropriate media for mailing distribution and make sure the media list is up-to-date. When sending a news release or media conference invitation, address the envelope to a specific individual. Mail addressed only to "Editor" may be considered junk mail. It pays to find out the name of the editor, news director or reporter. It is also effective to find out if the editor, news director or reporter prefers to receive news releases via email, fax or regular mail.

Be aware of deadlines! When calling to obtain the name of the individual, make sure to ask about the deadline for the next publication or newscast.

Each day, editors, news directors and reporters receive numerous media releases that are screened for one or more of the following elements:

- 1) *Timeliness*: The subject of the news release should be happening within 24 hours for a daily newspaper or broadcast news program, within a week for a weekly publication or broadcast news show (such as a Sunday morning local public affairs program), or within a month for a monthly publication.
- 2) *Proximity*: The news release subject must be relevant to the local community or to the specific media outlet's audience.
- 3) *Prominence*: The news release is more likely to make news if the subject is known, so highlight the spokesperson's local ties and expertise within the community.
- 4) *Consequence*: Will the subject of the release affect the well being of many people? Be prepared to answer the question about local impact.
- 5) *Human interest*: Can the story be told by presenting people, and their problems or concerns, in a way that arouses interest or sympathy?

Follow-up Phone Call

A follow-up phone call is an effective tool for getting coverage of the story idea. Make contact with the editor, news director or reporter to make sure he or she received the news release. Be prepared to quickly pitch the news item in a brief, concise and positive manner to remind the person of the story idea. (Remember, media outlets receive numerous news releases each day; don't be offended if the person doesn't immediately recall receiving the news release.) Do not make a follow-up phone call when the editor, news director or reporter is on deadline. Keep each media outlet's deadlines in mind when planning follow-up calls. If you are successful, always follow-up quickly to get questions answered and to assist with scheduling interviews.

Media Relations Tips

Being proactive enables the initiator to frame the message and create the angle for the news story. A reactive approach doesn't always allow the respondent to get the key messages across. Take the initiative by writing the news release to proactively promote the story in a timely manner to selected media. Be clear and concise in the message as well as in the story angle to the media. Provide clear information. Make sure the reporter has the appropriate information needed to cover the story in the most positive manner. The initiator can create a favorable impression by demonstrating integrity, honesty, timeliness, and a willingness to cooperate as appropriate.

Know the Media and the Reporters

Become familiar with the media in your area and the audiences they reach. Create an up-to-date media contact list.

Tips for Talking to Reporters

- 1) Be truthful
- 2) Be polite
- 3) Never lose your temper
- 4) Never speak off the record
- 5) Be aware that the camera and microphone may still be on and recording, even if the interview appears to be over
- 6) If you don't know the answer, say so, but offer to find it
- 7) Stick to your message
- 8) Remember to repeat key points during the closing of the interview
- 9) Stick to your area of expertise

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- 10) Don't be sarcastic in your response
- 11) Answer the reporter's questions, but return to your message track
- 12) If you aren't sure of the question, ask the reporter to repeat or explain
- 13) For electronic media (TV and radio) keep your message short: think and communicate in 10-15 second messages
- 14) Stick to the facts
- 15) Avoid jargon
- 16) Respect a reporter's deadline
- 17) Call back when you promised



25 Massachusetts Ave., NW, Ste 500 Washington, D.C. 20001-1430 www.naco.org

FOR IMMEDIATE RELEASE

Contact: [County PIO or spokesperson]

[Month] XX, 200x

[County Name] Launches Prescription Drug Discount Card That Can Be Used by All Residents

Discount Cards Offering Average Savings Of 20 Percent Off Retail Price

[DATELINE] — [County Name] today launched a discount card program to help consumers cope with the high price of prescription drugs. The county is making free prescription drug discount cards available under a program sponsored by the National Association of Counties (NACO) that offers average savings of 20 percent off the retail price of commonly prescribed drugs.

The cards may be used by all county residents, regardless of age, income, or existing health coverage, and are accepted at [xx] percent of the county's pharmacies. A national network of more than 57,000 participating retail pharmacies also will honor the NACO prescription discount card.

"[County Name] is proud to be one of the counties nationwide participating with NACO," said [County Spokesperson]. "The NACO prescription discount card offers significant savings for the uninsured and underinsured residents of our county, and even those fortunate to have prescription coverage can use the card to save money on drugs that are not covered by their health plan. Residents do not have to be Medicare beneficiaries to be eligible for this program."

Best of all, there is no cost to county taxpayers for NACO and (name of county) to make these money saving cards available to our residents.

Cards will be available at [insert distribution channels]. County residents can call toll free 1-877-321-2652 or visit <https://naco.advancerx.com> for assistance with the program.

"Using the NACO prescription discount card is easy," said [County Spokesperson]. "Simply present it at a participating pharmacy. There is no enrollment form, no membership fee and no restrictions or limits on frequency of use. Cardholders and their family members may use the card any time their prescriptions are not covered by insurance."

The discount card program is administered by Caremark Rx, Inc.

The National Association of Counties (NACO) is the only national organization that represents county governments in the United States. Founded in 1935, NACO provides essential services to the nation's 3,066 counties. NACO advances issues with a unified voice before the federal government, improves the public's understanding of county government, assists counties in finding and sharing innovative solutions through education and research, and provides value-added services to save counties and taxpayers money. For more information about NACO, visit

www.naco.org.

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NEWS RELEASE

25 Massachusetts Ave., NW, Ste 500 Washington, D.C. 20001-1430 www.naco.org

FOR IMMEDIATE RELEASE

Contact: [County PIO or spokesperson]

[Insert Date]

[County Name] Prescription Drug Discount Program Widely Used In First [X] Weeks

County Residents Take Advantage Of Free Discount Cards To Save Money On Prescription Drugs

[DATELINE] — During the first [X] weeks since the introduction of the [County Name's] free prescription drug discount program, county residents filled [XXX] prescriptions with the cards at discounts averaging [insert percentage and dollar amount] per prescription, [County official or spokesperson] announced today.

[County Name] launched the program to help consumers cope with the high price of prescription drugs. The county is making the free prescription drug discount cards available under a program sponsored by the National Association of Counties (NACo) that offers average savings of 20 percent off the retail price of commonly prescribed drugs.

[insert county official quote or information re: rate of acceptance, numbers of Rx filled, other local details]

Best of all, there is no cost to county taxpayers for NACo and (name of county) to make these money saving cards available to our residents.

The cards may be used by all county residents, regardless of age, income, or existing health coverage, and are accepted at [XX] percent of the county's pharmacies. A national network of more than 57,000 participating retail pharmacies also honors the [Card Name].

Cards are available at [insert distribution channels]. County residents can call toll free 1-877-321-2652 or visit <https://naco.advancerx.com> for assistance with the program.

"Using the NACo prescription discount card is easy," said [County Official]. "Simply present it at a participating pharmacy. There is no enrollment form, no membership fee and no restrictions or limits on frequency of use. Cardholders and their family members may use the card any time their prescriptions are not covered by insurance."

The program is administered by Caremark Rx, Inc.

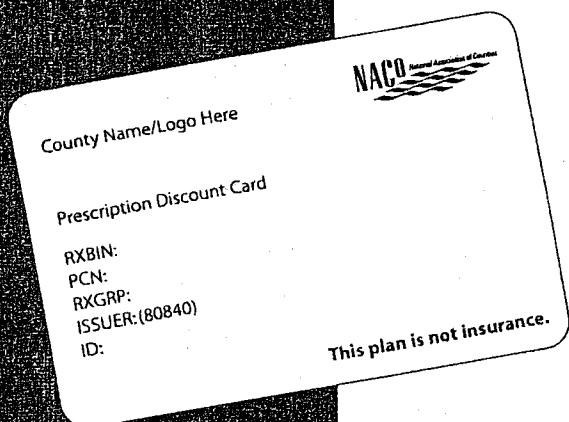
The National Association of Counties (NACo) is the only national organization that represents county governments in the United States. Founded in 1935, NACo provides essential services to the nation's 3,066 counties. NACo advances issues with a unified voice before the federal government, improves the public's understanding of county government, assists counties in finding and sharing innovative solutions through education and research, and provides value-added services to save counties and taxpayers money. For more information about NACo, visit www.naco.org.

###

Spend Less on Your Prescriptions

Introducing the County Name Here Prescription Discount Card

Free Enrollment for County Residents



- FREE Enrollment
- Average savings of 20%
- No limits
- No age requirements - you do NOT need to be a Medicare beneficiary to enroll
- No income requirements
- Family coverage
- Use it anytime your prescription is not covered by insurance

This program is offered in a joint effort of Davison County and the National Association of Counties (NACo).

For more information call: **1-877-321-2652**
or visit **<https://naco.advancerx.com>**

This plan is not insurance. Discounts are only available at participating pharmacies.

County Name/Logo Here



Prescription Discount Card

RXBIN:

PCN:

RXGRP:

ISSUER: (80840)

ID:

This plan is not insurance.

**Tear off this card and
start saving today!**

Easy Simply present your card, provided to you in a joint effort of your local county government and the National Association of Counties (NACo), at a retail participating pharmacy and save an average of 20% on your prescription drugs. Finding a pharmacy is easy; 8 out of 10 pharmacies nationwide accept your discount card. No enrollment form, no membership fee, one card. Immediate use.

No Limits You and your family may use your prescription discount card any time your prescription is not covered by insurance. There are no restrictions and no limits on how many times you may use your card.

Extra Savings As part of this program you will also be eligible for higher discounts on select medications, as well as high-tech and injectable drugs. For details of these programs and our mail service program, which offers an average savings of 50% on a 3-month supply of select medications, call toll free 1-877-321-2652 or visit <https://naco.advancerx.com>.



Members: Call toll free **1-877-321-2652**.

Pharmacist: The PCN, RxGRP, and full member ID must be submitted online to process claims for this program. For information call **1-800-364-6331**.

Arranque esta tarjeta y comience a ahorrar con su recetas medicas.

Para mas información sobre este programa gratis en español de descuentos para recetas, por favor llame al 1-877-321-2652.

This plan is not insurance. Savings are only available at participating pharmacies.

Savings may vary by drug. The program administrator may obtain manufacturer rebates and other fees based on your prescription drug purchases. These rebates and fees may be retained by the program administrator or shared with you and/or your pharmacy.

By using this card, you agree to participate in our program in which a pharmacist may discuss safe, effective alternative drugs that could provide you with additional savings.

Prescription claims through this program will not be eligible for reimbursement through a state Medicaid program.