

**AGREEMENT FOR SERVICES OF INDEPENDENT CONTRACTOR**

between

**COUNTY OF SANTA BARBARA**

and

**340B HOLDINGS, LLC (formerly SUNRx LLC)**

for

**PRESCRIPTION DRUG ADMINISTRATIVE SERVICES**

**FOURTH AMENDMENT**

**Effective December 01, 2016**

**THIS IS THE FOURTH AMENDMENT** (hereinafter **Fourth Amendment**) to the Agreement for Prescription Drug Administrative Services, (hereinafter **Agreement**), by and between the County of Santa Barbara (hereafter **Eligible Entity**) and 340B Holdings, LLC. (hereinafter referred to as **SUNRx**) for the provision of 340B Drug Discount Program Administrative Services. (Each a "Party" and collectively the "Parties".)

**WHEREAS**, the Agreement is effective through June 30, 2018; and

**WHEREAS**, SUNRx and Eligible Entity desire to amend the Agreement to replace Exhibit II with a new Fee Schedule to provide a new Switch Fee Pricing Model option; and

**WHEREAS**, this Fourth Amendment incorporates the terms and conditions set forth in the Agreement and all subsequent Amendments approved by the County of Santa Barbara.

**NOW, THEREFORE**, in consideration of the mutual covenants and conditions contained herein, the parties agree as follows:

1. **Incorporation.** Except as otherwise stated in this Amendment, all terms and provisions of the Agreement are hereby incorporated into this Amendment, as if fully restated herein. In the event that the terms of this Amendment conflict with the terms of the Agreement, the terms of this Amendment shall govern. All capitalized terms in this Amendment, not specifically defined herein, shall have the meaning of such terms as defined in the Agreement.

2. **Amendments.**

The Agreement is amended as follows:

a) Definitions in Exhibit I to include:

i. **Switch Fee Only Model:** Covered Entity client is contracted to be billed for the Switch Fees Only Model, for those pharmacies in their network that have agreed to contract for this model, for each transaction processed by the Switch (i.e., paid claims, reversals, rejected claims, etc.). They will not be billed a flat SUNRx administrative fee based on captured 340B Third Party claims.

ii. **Switch:** A centralized intermediary gateway company that routes and records prescription claim activity for claims transmitted by pharmacies to prescription processors.

b) Section **9. Exclusivity** set forth in the Agreement shall be revised as follows:

**9. Exclusivity.** Unless expressly prohibited by applicable HRSA guidelines or requirements, Eligible Entity agrees that, during the term of this Agreement, SUNRx shall be the sole and exclusive agent for Eligible Entity for each of the services described in this Agreement, including without limitation the 340B virtual inventory services. Notwithstanding the above, SUNRx agrees that the exclusivity requirements of this Section 9, shall not apply to all Rite Aid pharmacies, Walgreens pharmacies, Safeway pharmacies, and **Sears/Kmart pharmacies** located in Santa Barbara County, and Eligible Entity may enter into a direct contract pharmacy relationship with Rite Aid, Walgreens, Safeway, and/or **Sears/Kmart**.

c) **Fee Schedule.** Exhibit II – “Fee Schedule” attached to the Agreement shall be deleted in its entirety and replaced with the new Exhibit II – “Fee Schedule” attached hereto and hereby incorporated into the Agreement by reference.

3. **Counterparts.** This Fourth Amendment may be executed in several counterparts, all of which taken together shall constitute a single agreement between the parties.

[SIGNATURE PAGES TO FOLLOW]

Fourth Amendment to Agreement for Prescription Drug Administrative Services between the County of Santa Barbara and 340B Holdings, LLC.

IN WITNESS WHEREOF, the parties have executed this Fourth Amendment to be effective December 01, 2016.

COUNTY OF SANTA BARBARA

ATTEST:  
MONA MIYASATO  
CLERK OF THE BOARD

By: [Signature]  
Deputy Clerk

[Signature]  
Chair, Board of Supervisors

Date: 12-13-16

APPROVED AS TO FORM:  
MICHAEL C. GHIZZONI  
COUNTY COUNSEL

By: [Signature]  
Deputy County Counsel

APPROVED AS TO ACCOUNTING FORM:  
THEODORE A. FALLATI, CPA  
AUDITOR-CONTROLLER

By: [Signature]  
Deputy

APPROVED:  
TAKASHI WADA, MD, MPH  
DIRECTOR/HEALTH OFFICER  
PUBLIC HEALTH DEPARTMENT

By: [Signature]  
Director

APPROVED AS TO FORM:  
RAY AROMATORIO, ARM, AIC  
RISK MANAGER


By: [Signature]  
Risk Manager



Fourth Amendment to Agreement for Prescription Drug Administrative Services between the County of Santa Barbara and 340B Holdings, LLC.

IN WITNESS WHEREOF, the parties have executed this Fourth Amendment to be effective December 01, 2016.

340B Holdings, LLC.

By:   
Name: Jill G. Simoes, General Manager

Date: 11/28/2016



**EXHIBIT II  
FEE SCHEDULE**

<b><u>Administrative Fees</u></b>	<b><u>Switch Fee Pricing Model*</u></b>	<b><u>Net Earnings Pricing Model**</u></b>
<b><u>Contract Pharmacy:</u></b>		
For Cash Claims Adjudicated at U&C	\$0.00 per claim	\$0.00 per claim
For Cash Claims Adjudicated at Network	\$0.89 per claim	\$0.89 per claim
For Cash Claims Adjudicated at 340B	\$3.40 per claim	\$2.95 per claim
For Third Party Claims that become 340B (including Payor Partnership program)	\$0.00 per claim	\$6.42 per claim
<b><u>Dispensing Fees</u></b>	Per each Acknowledgement Agreement	Per each Acknowledgement Agreement
<b><u>Network Price (Rate)</u></b>	AWP-16%+\$2.50	AWP-16%+\$2.50
<b><u>Switch Fee(s)</u></b>	\$0.20 per claim	\$0.07 per claim

**Administrative fee includes:**

- 340B claims adjudication
- Retail network and U&C claims adjudication
- Financial reconciliation fees to include 3<sup>rd</sup> party and/or pharmacy billing, and hospital payment
- Persistence Program
- 340B pharmacy network contracting, management and customer service
- Eligibility interfaces
- Virtual Inventory and Pharmacy Replenishment
- Standard Reporting

*\*Switch Fee Only Model: Covered Entity client is contracted to be billed for the Switch Fees Only Model, for all pharmacies in their network, for each transaction processed by the Switch (i.e., paid claims, reversals, rejected claims, etc.). They will not be billed a flat SUNRx administrative fee based on captured 340B Third Party claims.*

*\*\*SUNRx shall, at its sole option, with or without advance notice to Eligible Entity, have the right to apply a reduced or discounted Administrative Fee to any claim as SUNRx may see fit in order to enable SUNRx and the Eligible Entity to capture additional 340B-compliant claims for 340B processing.*