



## 340B CONTRACT PHARMACY SERVICES AGREEMENT

This 340B Contract Pharmacy Services Agreement (“**Agreement**”) is made and entered into this 1<sup>st</sup> day of January, 2014 (“**Effective Date**”) by and between Santa Barbara County Public Health Department (“**Covered Entity**”) and Walgreen Co. (“**Walgreens**”).

### 1. RECITALS

- 1.1. Covered Entity qualifies for and participates in a federal drug discount program established under Section 340B of the Public Health Service Act that requires participating pharmaceutical manufacturers to extend discounted pricing to certain health care providers classified as covered entities;
- 1.2. Covered Entity is authorized: (i) to purchase prescription and non-prescription medications at reduced cost through Section 340B of the Public Health Service Act for outpatients of Covered Entity Locations; and (ii) to contract with additional licensed pharmacies to manage and dispense its 340B Drugs;
- 1.3. Covered Entity desires to contract with Walgreens to manage and dispense Covered Entity’s 340B Drugs pursuant to Covered Entity’s 340B Drug Program; and
- 1.4. Walgreens agrees to manage and dispense Covered Entity’s 340B Drugs pursuant to the terms and conditions of this Agreement.
- 1.5. In consideration of the promises, covenants and agreements hereinafter set forth, Covered Entity and Walgreens hereby agree to the following terms and conditions:

### 2. DEFINITIONS

- 2.1. “**340B Drugs**” means prescription outpatient pharmaceutical products prescribed by an authorized medical provider affiliated with Covered Entity, including Legend Drugs. All 340B Drugs shall be subject to the limiting definition of “covered outpatient drug” set forth in Section 1927(k) of the Social Security Act, 42 USC 1396r-8(k)(2) & (3), which is incorporated as the applicable definition for Section 340B of the Public Health Service Act (the “**Act**”).
- 2.2. “**340B Drug Diversion**” means the use of a 340B federal drug discount program purchased medication for a patient that is not eligible for the program.
- 2.3. “**340B Drug Program**” means the Covered Entity’s program to purchase and either dispense or arrange for the dispensing of 340B Drugs to Eligible Patients in accordance with Section 340B of the Act.
- 2.4. “**ASN**” means the Supplier’s advance shipment notice.
- 2.5. “**Average Wholesale Price**” or “**AWP**” means the Average Wholesale Price for each drug product in the database as defined by MediSpan or another nationally recognized source used by Walgreens.
- 2.6. “**Central Inventory Replenishment Site**” or “**CIRS**” means the specific central inventory replenishment sites referenced in Exhibit B. CIRS are not providing any 340B Pharmacy Services but are

included in the Agreement as ship-to locations supporting the Retail Pharmacies that provide 340B Pharmacy Services.

2.7. **“Contracted Rate”** means the contracted and/or agreed upon reimbursement rate between Walgreens and the applicable Private Insurer and includes any Eligible Patient co-pay and other amounts that may be due from an Eligible Patient or arise out of the coordination of benefits, as applicable. The Contracted Rate is proprietary and confidential information; therefore, Walgreens will not disclose the Contracted Rate to Covered Entity.

2.8. **“Covered Entity Location(s)”** means those individual Covered Entity Locations listed on the HRSA web-site pursuant to an executed enrollment or registration form which are authorized as Covered Entities to contract with a licensed pharmacy to manage and dispense 340B Drugs.

2.9. **“DHHS”** means the United States Department of Health and Human Services.

2.10. **“Duplicate Discount”** means a process whereby a state or other state sponsored pharmaceutical benefit plan derives a pharmaceutical manufacturer discount or rebate on a medication that had already been discounted through the 340B federal drug discount program.

2.11. **“Eligible Patient(s)”** means those Covered Entity outpatients who Covered Entity determines are eligible to purchase and/or receive 340B Drugs from Covered Entity Locations, subject to the limiting definition of “Patient” set forth in 61 Federal Register 55156 (1996), as the same may be modified or amended. All Covered Entity patients who are Medicaid beneficiaries and for whom claims for pharmaceuticals are reimbursable by a state fee-for-service Medicaid program are expressly excluded from this definition.

2.12. **“HRSA”** means the Health Resources and Services Administration.

2.13. **“Inventory Replenishment Rate”** means the amount due Walgreens for each 340B Drug dispensed by Walgreens but for which Walgreens does not receive replenishment from the Supplier. The Inventory Replenishment Rate will be determined in accordance with Section 3 of Exhibit A.

2.14. **“Legend Drug(s)”** means those drugs which, by federal law can be dispensed only pursuant to a prescription and which are required to bear the legend “Caution – Federal law prohibits dispensing without prescription.”

2.15. **“Manufacturer”** means any pharmaceutical manufacturer of 340B Drugs purchased by Covered Entity and delivered to Walgreens via Supplier pursuant to the terms of this Agreement.

2.16. **“NDC-11”** means a medication’s unique 11-digit number containing: (i) the labeler code assigned by the Food and Drug Administration; (ii) the product code; and (iii) the package size of the pharmaceutical product.

2.17. **“Non-Eligible 340B Drugs”** means drugs (based upon the NDC-11) that are not a 340B Drug, on the 340B Price File, and/or eligible for the 340B Drug Program.

2.18. **“OPA”** means the Office of Pharmacy Affairs.

- 2.19. **"POAck"** means the Supplier's purchase order acknowledgement.
- 2.20. **"Prescriber List"** means the list of prescribers eligible to write prescriptions for 340B Drugs under the terms of this Agreement and the 340B Drug Program.
- 2.21. **"Price File"** means the list of 340B Drugs and associated pricing available from the Supplier.
- 2.22. **"Private Insurer"** means the Managed Medicaid, Medicare, and/or a private third-party insurer responsible: (i) for an Eligible Patient's prescription coverage; and (ii) to reimburse Walgreens the Contracted Rate for pharmacy services.
- 2.23. **"Report"** means the report made available by Walgreens to Covered Entity via Walgreens' online reporting and tracking system that describes activity pertaining to Walgreens' provision of 340B Pharmacy Services and Inventory Maintenance Services hereunder and includes, at a minimum: (i) Covered Entity's account number; (ii) a listing of each 340B-priced pharmaceutical ordered by Walgreens; (iii) a description of information contained on each POAck received for each 340B-priced pharmaceutical product ordered by Walgreens; (iv) a description of information contained on each ASN; and (v) a listing of all 340B Drugs actually received by Walgreens. Availability of the Report is conditioned upon Supplier providing EDI data (Electronic Data Interface) to Walgreens during the applicable Report period.
- 2.24. **"Retail Pharmacy"** means the specific retail pharmacy location(s) referenced in Exhibit B. Walgreens shall provide Covered Entity with written notice of any change in the specific retail pharmacy locations through which Walgreens manages and dispenses medications pursuant to Covered Entity's 340B Drug Program. The notice shall be accompanied by an updated Exhibit B reflecting such change(s), and shall identify the effective date of the change(s), which shall not be less than thirty (30) days following the issuance of the notice. Unless Covered Entity provides Walgreens with written notice of objection to the change(s) prior to the effective date specified in the notice, the term "Retail Pharmacy" shall be deemed to refer to the pharmacy locations listed on the updated Exhibit B as of that effective date and Covered Entity shall cooperate with Walgreens in posting the revised list of Retail Pharmacies with HRSA. For purposes of clarity, the parties acknowledge and agree that the Retail Pharmacy locations listed in Exhibit B are contract pharmacies for purposes of HRSA's contract pharmacy guidelines (75 Federal Register 10272 (2010)), and as such they may be utilized to manage and dispense medications pursuant to Covered Entity's 340B Drug Program.
- 2.25. **"Section 340B"** means Section 340B of the Act.
- 2.26. **"Slow Moving Drug"** means a 340B Drug that has been dispensed by Walgreens but because the quantity of 340B Drug dispensed is less than a full package size, Walgreens is unable to order replacement pharmaceutical products from the Supplier within the earlier of: (i) ninety (90) days from the date the 340B Drug was last dispensed by any Retail Pharmacy location; or (ii) one hundred eighty (180) days from the date that the 340B Drug was initially dispensed by any Retail Pharmacy location.
- 2.27. **"Supplier"** means the pharmaceutical manufacturer, supplier, or drug wholesaler that has entered into a written agreement with Covered Entity to provide 340B Drugs to Walgreens via a ship-to, bill-to arrangement, and also to provide reports, ASNs, POAck and any other information set forth herein.

2.28. **“Tax”** means any sales tax, imposition, assessment, excise tax or other government levied amount based on Walgreens’ retail sales of prescriptions to Covered Entity’s patients either on gross revenues or by transaction, whether such tax is designated a sales tax, gross receipts tax, retail occupation tax, value added tax, health care provider tax, transaction privilege tax, assessment, pharmacy user fee, or charge otherwise titled or styled. It includes any tax in existence or hereafter created whether or not the bearer of the tax is the retailer or consumer.

2.29. **“Usual and Customary Charge”** means the amount charged to a cash customer by the Retail Pharmacy at the time of dispensing for the Non-Eligible 340B Drug prescription exclusive of sales tax or other discounts claimed.

### 3. COVERED ENTITY RESPONSIBILITIES

3.1. **Eligibility Verification.** Covered Entity prescribers on the Prescriber List will provide all Eligible Patients with a valid prescription as required by law which will contain, but not necessarily be limited to, the applicable Covered Entity Location name, address and identification number, the eligible prescriber’s name, the Eligible Patient’s full name, and if applicable, the barcode provided by Walgreens. The prescription must be written or sent to Walgreens by an individual on the Prescriber List who prescribed the pharmaceutical product as a result of seeing the Eligible Patient at a Covered Entity Location. Covered Entity will also provide each Eligible Patient whose prescriptions are not reimbursable by a Private Insurer with a voucher or similar document that sets forth the amount that Walgreens shall collect from the Eligible Patient at the time of dispensing (the prescription and voucher, if applicable, shall be considered the **“Authorization”**). The Authorization will establish eligibility and serve as evidence of Covered Entity’s authorization for Eligible Patients to receive 340B Drugs.

3.2. **Supplier.** Covered Entity acknowledges and agrees that establishing a successful replenishment process with the Supplier is essential to this Agreement and Walgreens’ provision of 340B Pharmacy Services and Inventory Maintenance Services. Covered Entity will use best efforts to establish and maintain a Supplier arrangement agreeable to Walgreens. Concurrent with the Effective Date or as soon as reasonably practicable thereafter, Covered Entity shall provide Walgreens with written notice of the identity of the Supplier. Covered Entity shall not utilize any Supplier to which Walgreens reasonably objects. In the event that at any time during the term of this Agreement Walgreens is unable to successfully place an order with Supplier for replacement 340B Drugs or reasonably believes such orders shall not be replenished by Supplier, Walgreens shall not be obligated to perform its obligations under this Agreement, including its obligations to provide 340B Pharmacy Services or Inventory Maintenance Services (except with respect to any 340B Drugs already dispensed by Walgreens), until such time as Walgreens is able to place a successful order for replenishment.

3.3. **Orders and Payment to Supplier.** Covered Entity shall purchase 340B Drugs through a written contract with Supplier and will ensure that Supplier: (i) bills Covered Entity for such 340B Drugs; and (ii) ships such 340B Drugs to the applicable CIRS or Retail Pharmacy. The parties further agree that:

3.3.1. For each 340B Drug dispensed that reaches depletion at a full package size, Walgreens will order from Supplier (on behalf of Covered Entity) replacement 340B Drugs with the same NDC-11 as the 340B Drug dispensed. Covered Entity, through Supplier, will ensure that such replacement 340B Drugs are delivered by Supplier to the applicable Retail Pharmacy or CIRS.

- 3.3.2. Covered Entity shall promptly review the Report and notify Walgreens of any discrepancies between the information contained on the Report and the amount billed to Covered Entity by the Supplier. Upon request from Walgreens, Covered Entity will promptly provide Walgreens with copies of Supplier invoices pertaining to 340B Drugs received by Walgreens.
- 3.3.3. Covered Entity will establish account numbers with Supplier for each Retail Pharmacy and CIRS (or, upon prior written consent from Walgreens, fewer account numbers) and otherwise ensure that each such location may order and receive deliveries of replenishment 340B Drugs from Supplier.
- 3.3.4. Covered Entity will make timely payments to Supplier in accordance with the terms of Covered Entity's written agreement with Supplier.
- 3.3.5. Covered Entity will hold title to replacement 340B Drugs from the time Supplier fills an order from Walgreens made on behalf of Covered Entity until the time that Walgreens takes delivery of such drugs at the applicable CIRS or Retail Pharmacy, at which time title shall pass to Walgreens.

3.4. Prescriber List and Price File. Covered Entity will provide Walgreens with the Prescriber List on a monthly basis. Walgreens will endeavor to obtain the Price File from Supplier on a monthly basis. Covered Entity acknowledges and agrees that: (i) if for any reason Walgreens is unable to obtain the Price File from Supplier, Covered Entity will provide the Price File to Walgreens upon request from Walgreens; and (ii) Walgreens may rely on all information set forth on any Price File that Walgreens receives from Supplier or any Prescriber List that Walgreens receives from the Covered Entity. Covered Entity will provide Walgreens with an updated Prescriber List and/or Price File ten (10) days in advance of any modifications thereto. In the event that Covered Entity fails to comply with the requirements of this Section 3.4, Walgreens will not retroactively adjust claims except to avoid diversion.

3.5. Changes with Supplier or Program Design. Covered Entity will notify Walgreens at least one hundred twenty (120) calendar days prior to any change in the Supplier used to provide 340B Drugs hereunder and at least sixty (60) calendar days prior to any changes to the amount that Walgreens shall collect at the time of dispensing from each Eligible Patient whose prescription is not reimbursable by a Private Insurer. In the event Covered Entity fails to notify Walgreens of a change in Supplier as required herein: (i) Covered Entity will reimburse Walgreens in accordance with the Usual and Customary Charge for any services or pharmaceuticals provided by Walgreens after the effective date of such change; and (ii) Walgreens will not reverse any claim or make adjustments to its Invoices due to changes in the Supplier except to avoid diversion.

3.6. Patient Choice. Covered Entity will inform Eligible Patients that they are free to choose a pharmacy provider of their choice and, at its discretion, advise Eligible Patients that they may select the Covered Entity's in-house pharmacy, Walgreens, or other pharmacy for their prescriptions.

3.7. Compliance with Laws. Covered Entity agrees to comply with applicable federal and state laws and regulations. Such compliance shall include establishing appropriate control procedures to ensure that only Eligible Patients receive 340B Drugs from Covered Entity's authorized 340B pharmacy locations.

3.8. Product Warranty. Upon request from Walgreens and to the extent it is reasonably able to do so, Covered Entity shall pass through to Walgreens all applicable benefits under any and all manufacturer warranties and indemnification obligations with respect to any merchandise which

Walgreens receives to replenish its inventory of 340B Drugs dispensed to Eligible Patients. Upon request from Walgreens, Covered Entity will, for the benefit of Covered Entity and Walgreens, obtain from the Supplier a certificate of insurance for product liability, continuing guarantee and indemnification for 340B Drugs. Covered Entity will use commercially reasonable efforts to ensure that the Supplier obtains from all merchandise manufacturers an assumption of responsibility and the defense and indemnification of Covered Entity and Walgreens in connection with 340B Drugs, the packaging thereof, and any related materials for third party claims made against Covered Entity and Walgreens. In addition, Covered Entity will use commercially reasonable efforts to ensure the Supplier complies with the applicable rules and regulations as promulgated by the U.S. Food and Drug Administration, and any other applicable federal, state and local laws and regulations in effect as of the Effective Date of this Agreement or as enacted or adopted during the term hereof, with respect to title and transfers thereof to the merchandise.

3.9. Approvals. Covered Entity represents and warrants that it has received all necessary approvals of its 340B Drug Program and this Agreement from the applicable State Board of Pharmacy and as otherwise required by applicable laws and regulations. Covered Entity agrees to execute any documents Walgreens deems reasonably necessary to effectuate the terms of this Agreement, including the provision of 340B Pharmacy Services and Inventory Maintenance Services, consistent with applicable law.

#### 4. WALGREENS' SERVICES AND RESPONSIBILITIES

4.1. 340B Pharmacy Services. Upon receipt of Authorization, Walgreens shall render to Eligible Patients all professional advice and comprehensive pharmacy services customarily provided by it to its patients or as otherwise required by law ("**340B Pharmacy Services**"). Walgreens agrees to render 340B Pharmacy Services as herein provided in accordance with the rules and regulations of the applicable State Board of Pharmacy and all applicable federal laws and regulations. It is expressly understood that relations between an Eligible Patient and Walgreens shall be subject to the rules, limitations, and privileges incident to the pharmacy-patient relationship. Walgreens shall be solely responsible, without interference from Covered Entity or its agents to said Eligible Patient for pharmaceutical advice and service, including the right to refuse to serve any individual where such service would violate pharmacy ethics or any pharmacy laws or regulations.

4.2. Inventory Maintenance Services. Walgreens shall provide the 340B Drug inventory maintenance services set forth herein with respect to Covered Entity ("**Inventory Maintenance Services**"). Each 340B Drug shall be dispensed from a Retail Pharmacy's customarily maintained non-340B-priced inventory at the 340B price and shall be replenished with 340B-priced inventory with the same NDC-11 as the drug dispensed. The Inventory Maintenance Services provided by Walgreens hereunder will include the following:

- 4.2.1. In accordance with Section 3.3 of this Agreement, including sub-parts, for each 340B Drug that reaches depletion at a full package size, Walgreens will order 340B Drugs from the Supplier on behalf of the applicable Covered Entity Location in order to replenish the 340B Drugs dispensed to Eligible Patients by Walgreens.
- 4.2.2. Walgreens shall promptly notify the Covered Entity in the event Walgreens cannot or does not receive 340B Drugs at the NDC-11 level replenishment from the Supplier for a period greater than sixty (60) calendar days from the original date of an order fulfillment attempt by the Supplier ("**Overdue Drug**"). Covered Entity will reimburse Walgreens the

Inventory Replenishment Rate for any Overdue Drug dispensed prior to the date of Walgreens' notice. Following notice by Walgreens, Walgreens may block the dispensing of Overdue Drugs and/or require Covered Entity to remove Overdue Drugs from the Price File or discontinue prescribing Overdue Drugs for their 340B Drug Program. In the event a Covered Entity prescriber writes a prescription for an Overdue Drug after the date of Walgreens' notice, Covered Entity acknowledges and agrees such prescription shall be considered a Non-Eligible 340B Drug and Walgreens may collect the Usual and Customary Charge from the patient.

- 4.2.3. Following notice by Walgreens, Walgreens may block the dispensing of any 340B Drugs on the Price File that Walgreens determines it is unable to manage and dispense due to logistical and/or operational constraints ("**Blocked Drug**"). In addition, Walgreens may require Covered Entity to remove Blocked Drugs from the Price File or discontinue prescribing such drugs for their 340B Drug Program. Covered Entity acknowledges that any 340B Drugs dispensed prior to becoming a Blocked Drug shall be subject to the Slow Moving Drug replenishment process. In the event a Covered Entity prescriber writes a prescription for a Blocked Drug after the date of Walgreens' notice, Covered Entity acknowledges and agrees such prescription shall be considered a Non-Eligible 340B Drug and Walgreens may collect the Usual and Customary Charge from the patient.
- 4.2.4. Covered Entity will reimburse Walgreens the Inventory Replenishment Rate for Slow Moving Drugs.

4.3. Tracking System. Walgreens will maintain an electronic tracking system that is capable of tracking 340B Drugs received from the Supplier, preventing the diversion of 340B Drugs to individuals who are not Eligible Patients and verifying that such diversion has not occurred. The tracking system shall be able to provide comparisons of Eligible Patient prescriptions and dispensing records and a comparison of 340B Drug purchasing and dispensing records. Upon reasonable request by Covered Entity and no more than once annually, Walgreens will permit Covered Entity or its duly authorized representative, in accordance with Section 6.4, to have reasonable access to the tracking system in order to review the efficacy of such tracking system. Covered Entity acknowledges and agrees that any such review shall be limited to Walgreens' Records (as defined in Section 6.3). Walgreens will reasonably cooperate with Covered Entity to address any potential irregularities detected and will make adjustments to the tracking system that are reasonably necessary to prevent diversion of 340B Drugs to individuals who are not Eligible Patients.

4.4. Withholding of Walgreens Services. Notwithstanding any provision to the contrary, Covered Entity acknowledges and agrees that Walgreens may withhold dispensing of a 340B Drug to an Eligible Patient for good cause, including but not necessarily limited to, the Eligible Patient's failure to pay for services rendered (e.g., patient payment responsibility amounts); requests by Eligible Patient for quantities of drugs in excess of prescribed quantities or refill limitations; or where, in the professional judgment of the dispensing pharmacist, the prescription should not be filled.

4.5. Reconciliation. Walgreens will conduct a monthly reconciliation of 340B Drugs dispensed against those 340B Drugs received by Walgreens ("**Reconciliation**"). Reconciliation shall only apply with respect to pharmaceuticals that have reached full package size and for which Walgreens has or should have received replenishment from the Supplier. Reconciliation shall include the following:

- 4.5.1. *Excess Replenishment:* In the event Walgreens determines that the quantity of 340B Drugs provided to Walgreens exceeds the quantity of 340B Drugs dispensed to Eligible

Patients hereunder, Walgreens will either: (i) adjust the virtual inventory so that such excess is applied against future 340B Drug prescriptions dispensed hereunder; or (ii) reimburse Covered Entity for such drugs in accordance with the 340B Drug price as set forth on the Price File and if Walgreens determines that the 340B Drug price as set forth on the Price File is less than the amount the Supplier would charge Walgreens for the same NDC-11 at non-340B Drug Program rates, Walgreens will also reimburse the Supplier the difference between such amounts.

- 4.5.2. *Deficient Replenishment:* In the event Walgreens determines that the quantity of 340B Drugs provided to Walgreens is less than the quantity of 340B Drugs dispensed to Eligible Patients hereunder, Walgreens will notify Covered Entity and Covered Entity will instruct the Supplier to provide 340B Drugs to Walgreens. If, for whatever reason, the Supplier is unable to provide 340B Drugs with the same NDC-11 as the 340B Drug ordered hereunder, Covered Entity will reimburse Walgreens for said drugs at the Inventory Replenishment Rate.
- 4.5.3. *340B Drugs Dispensed to non-Eligible Patient Without a Private Insurer:* In the event Walgreens determines 340B Drugs have been dispensed to non-Eligible Patients without a Private Insurer, Walgreens will either: (i) adjust the virtual inventory so that such excess is applied against future 340B Drug prescriptions dispensed hereunder; or (ii) reimburse Supplier the difference between the 340B Drug price as set forth on the Price File and the amount the Supplier would charge Walgreens for the same NDC-11 at non-340B Drug Program rates. Such pharmaceutical shall be considered a Non-Eligible 340B Drug and Covered Entity shall reimburse Walgreens the difference between the Usual and Customary Charge and any amounts Walgreens has already received with respect to such Non-Eligible 340B Drug.
- 4.5.4. *340B Drugs Dispensed to non-Eligible Patient with a Private Insurer:* In the event Walgreens determines 340B Drugs have been dispensed to non-Eligible Patients with a Private Insurer, Walgreens will either: (i) adjust the virtual inventory so that such excess is applied against future 340B Drug prescriptions dispensed hereunder; or (ii) reimburse Supplier the difference between the 340B Drug price as set forth on the Price File and the amount the Supplier would charge Walgreens for the same NDC-11 at non-340B Drug Program rates. Covered Entity shall receive no amounts arising out of the Contracted Rate and to the extent Covered Entity previously received any such amounts or credits for such drug, Covered Entity shall immediately remit such amounts or forfeit such credits to Walgreens.

4.6. Insurance. Walgreens will self-insure or maintain at its sole expense, and in amounts consistent with industry standards, insurance for general and professional liability and such other insurance as may be necessary to insure Walgreens, its employees, and agents against any claim or claims for damages arising directly or indirectly in connection with Walgreens' negligent performance of any services under this Agreement, and the use of any property or facilities provided by Walgreens. Walgreens' insurance information is available at [www.walgreens.com/insurance](http://www.walgreens.com/insurance).

4.7. Compliance with Laws. Walgreens agrees to comply with all applicable federal, state and local laws and regulations in performing its obligations hereunder.



## 5. REIMBURSEMENT AND BILLING

5.1. Invoice for Services. Walgreens will invoice Covered Entity on a monthly basis for all amounts arising under this Agreement during the previous calendar month (“**Invoice**”). The Invoice will detail: (i) the number of prescriptions dispensed hereunder; (ii) any amounts due Walgreens including any and all fees, costs, charges, or reimbursement amounts, including but not necessarily limited to any amount arising out of the Tax, changes in the Supplier, Overdue Drugs, Slow Moving Drugs, 340B Pharmacy Services, Inventory Management Services and a Reconciliation (“**Walgreens Balance**”); and (iii) any amounts due Covered Entity arising out of a Reconciliation or Sections 1 and 2 of Exhibit A, if applicable (“**Covered Entity Balance**”). The Invoice will be made available to Covered Entity via the online reporting tool. If the Covered Entity Balance is less than the Walgreens Balance, Walgreens will also send a hard copy of the Invoice to Covered Entity at the address set forth in Section 8.11 of this Agreement.

5.2. Monthly Payments. If the Walgreens Balance is less than the Covered Entity Balance, Walgreens shall pay Covered Entity the difference between such amounts within thirty (30) calendar days from the Invoice date. Walgreens’ payment to Covered Entity shall be made via electronic funds transfer or to the location set forth in Section 8.11 of this Agreement. If the Covered Entity Balance is less than the Walgreens Balance, Covered Entity shall pay Walgreens the difference between such amounts within thirty (30) calendar days from the Invoice date. Covered Entity’s payment to Walgreens shall be made to the following location: Walgreen Co., P.O. Box 90480, Chicago, IL 60696-0480.

5.3. Late Payment Charge. Covered Entity is solely responsible for all payments required herein and shall at no time withhold payment due Walgreens, nor pay an amount less than that billed by Walgreens on the Invoice. Covered Entity is solely responsible for any and all costs associated with Walgreens’ collection of any delinquent amounts.

5.4. Payment for Private Insurer Coverage. For those Eligible Patients whose prescriptions are reimbursable by a Private Insurer, Walgreens is responsible to process and bill such Private Insurer at the existing Contracted Rates.

5.5. Over/Underpayments. In the event Covered Entity believes that it has made an overpayment, Covered Entity shall notify Walgreens as soon as feasible but no later than 5 working days from discovery and provide a complete explanation thereof with specific details and documentation to support any claim of overpayment. Walgreens shall have thirty (30) calendar days to review any claims of overpayment by Covered Entity. Upon review and written acceptance by Walgreens of such overpayment, Walgreens will pay Covered Entity an amount equal to the overpaid amount within thirty (30) calendar days of Walgreens’ written acceptance of such overpayment. If Walgreens believes that Covered Entity made any underpayments to Walgreens, Walgreens shall notify Covered Entity as soon as feasible but no later than 5 working days from discovery and provide a complete explanation thereof with specific details and documentation to support any claim of underpayment. Covered Entity shall have thirty (30) calendar days to review any claims of underpayment by Walgreens. Upon review and written acceptance by Covered Entity of such underpayment, Covered Entity will pay Walgreens an amount equal to the underpaid amount within thirty (30) calendar days of Covered Entity’s written acceptance of such underpayment. Except for verified amounts arising out of any audit or Reconciliation permitted by this Agreement, or as otherwise required by law, all claims of overpayment or underpayment must be made within one hundred eighty (180) calendar days after payment is due.

## 6. AUDITS AND RECORDS

6.1. Audit by DHHS or Manufacturer. Both parties understand that, under Section 340B(a)(5)(C) of the Act, records that directly pertain to compliance with the Act are subject to audit by Manufacturer and the DHHS. The parties further understand that DHHS has published guidelines for such audits. Each party agrees to cooperate with such audits and to comply with applicable provisions of the audit guidelines and amendments thereto that may be published from time to time. Walgreens and Covered Entity understand and agree that a copy of this Agreement will be provided, upon request, to Manufacturer; provided that Manufacturer has signed a purchasing agreement with DHHS. In the event either party hereto receives such a request, it shall immediately inform the other party. Covered Entity acknowledges and agrees that Walgreens may, in its sole discretion, delete and/or redact all Walgreens confidential and proprietary information set forth herein prior to the release of this Agreement.

6.2. Covered Entity Records. Covered Entity shall maintain customary records relating to its responsibilities under this Agreement, including but not limited to eligibility records for patients and payment information regarding the services provided by Walgreens hereunder, for the periods required by law and shall make such records available to Walgreens.

6.3. Walgreens Records. Walgreens shall maintain customary business and pharmacy records relating to its responsibilities under this Agreement, including without limitation prescription dispensing records regarding Eligible Patients, payments received from Eligible Patients and Covered Entity, and 340B Drug ordering, receiving, and dispensing information (“**Walgreens Records**”) in an accessible and auditable form, separate from the records of Walgreens’ other operations, and in full compliance with all applicable state and federal laws, rules and regulations. Walgreens Records shall be maintained by Walgreens for such period as is required by applicable law. Notwithstanding the foregoing, unless otherwise provided for elsewhere in this Agreement or required by federal and state laws and regulations, Walgreens Records shall not include Walgreens’ usual and customary pricing data, any other financial and administrative records not related to Walgreens responsibilities under this Agreement, or any proprietary or confidential information related to Private Insurers.

6.4. Covered Entity Audits. During normal working hours and upon fifteen (15) business days advance written notice to the address set forth in Section 8.11, below, Walgreens shall permit Covered Entity access to review Walgreens Records in order to confirm that no diversion of 340B Drugs to non-Eligible Patients and no Duplicate Discounts have occurred (“**Audit**”) and also the right to make photocopies of Walgreens Records. Walgreens acknowledges that Covered Entity may contract with an independent outside auditor with experience auditing pharmacies to conduct the Audit. Covered Entity shall provide Walgreens with advance notice of the identity of any such independent outside auditor and shall not utilize any such auditor to which Walgreens has reasonable objection. Covered Entity shall conduct no more than one Audit per calendar year. The parties acknowledge and agree that in no event shall Audit findings or conclusions be based upon either statistical sampling or extrapolation. Nothing in this paragraph shall be construed to prevent or limit: (i) an audit originated by Manufacturer, DHHS, HRSA, or as otherwise required by law; or (ii) review of the Report by Covered Entity. If this Agreement exceeds ten thousand dollars (\$10,000.00) Walgreens shall be subject to the examination and audit of the State Auditor General for a period of three (3) years after final payment under the Agreement (Cal. Govt. Code Section 8546.7).

6.5. Compliance Violations. In the event that Covered Entity determines that 340B Drug Diversion or Duplicate Discounts have occurred or that it is otherwise unable to comply with its responsibility to ensure compliance with the 340B Drug Program, then it must take immediate remedial action to assure compliance and notify OPA regarding such compliance problems and actions taken to remedy those problems.

## 7. TERM AND TERMINATION

7.1. Term. The term of this Agreement shall commence on the Effective Date and shall continue in effect for a three (3)-year period thereafter; unless terminated earlier as provided herein. Upon expiration of the initial term, this Agreement shall be renewed automatically for successive one-year terms.

7.2. Implementation of this Agreement. Covered Entity and Walgreens acknowledge and agree that Walgreens' obligation to provide services hereunder, including but not limited to 340B Pharmacy Services and Inventory Maintenance Services, will commence upon the mutual written agreement of the parties following the Effective Date ("**Implementation Date**"). The parties further agree that 340B claims will not be processed retroactively, i.e., 340B claims will not be processed for the period between the Effective Date and the Implementation Date.

7.3. Termination. Either party may immediately terminate this Agreement at any time upon written notice to the other party in the event any of the following occurs:

- 7.3.1. The omission or the commission by the other party of any act or conduct for which its authority to provide services may be revoked or suspended by any governmental or administrative body (whether or not such suspension or revocation actually occurs);
- 7.3.2. The other party becomes insolvent or bankrupt;
- 7.3.3. It is determined by the terminating party that the other party lacks any federal, state, or local license, permit, or approval, including, without limitation, certificate of need approval required for the services and operations contemplated by this Agreement or that such services and operations or the arrangements set forth in this Agreement may be inconsistent with, or subject a party to, potential negative consequences under any provision of federal or state law regulating the services contemplated by this Agreement or the arrangements between the parties as set forth herein; or
- 7.3.4. There is a material breach of the Agreement by the other party, which includes, but is not limited to, non-payment by Covered Entity of any required fees and/or reimbursement amounts within the time frames set forth in this Agreement.

7.4. Termination without Cause. Notwithstanding any provision to the contrary, either party may terminate this Agreement at any time and without cause upon thirty (30) calendar days' prior written notice to the other party.

7.5. Termination by Mutual Agreement. The parties may terminate this Agreement at any time by mutual written consent.

7.6. Termination Due to Changes in Law or Guidance. The parties acknowledge that existing regulations, law or HRSA guidance may change and that the courts or state or federal agencies with appropriate jurisdiction may change their interpretation of existing law. Upon the enactment of any

new or amended applicable state or federal law or regulation, or of HRSA guidance, or upon the issuance of any judicial opinion or interpretative ruling on an existing applicable state or federal law, regulation or guidance, that: (i) renders this Agreement illegal; (ii) materially changes the obligations of the parties; or (iii) creates a significant risk of civil penalties as determined by a written opinion of counsel for the party asserting that there has been a change in law, the parties shall use their best efforts during the ninety (90) day period thereafter to mutually agree to such amendments to the Agreement as to permit its valid and legal continuation. If, after such ninety (90) day period, the parties are unable to agree to amend the Agreement, either party may terminate its participation in this Agreement effective immediately by giving written notice of such termination to the other party.

7.7. Non-Appropriations. Notwithstanding any other provision of this Agreement, in the event that no funds or insufficient funds are appropriated or budgeted by federal, state or County governments, or funds are not otherwise available for payments in the fiscal year(s) covered by the term of this Agreement, then Covered Entity will notify Walgreens of such occurrence and Covered Entity may terminate or suspend this Agreement in whole or in part, with or without a prior notice period. Subsequent to termination of this Agreement under this provision, Walgreens shall have no obligation to perform for the remainder of the term and Covered Entity shall have no obligation to make payments with regard to the remainder of the term; provided however, such termination does not relieve Covered Entity to make payment to Walgreens for performance provided prior to the termination.

7.8. Effect of Termination. Upon termination of this Agreement, Walgreens will provide Covered Entity with an invoice detailing those drugs dispensed under the 340B Drug Program which have not been replenished. Covered Entity will reimburse Walgreens for those pharmaceutical products at the Inventory Replenishment Rates within thirty (30) days of receipt of the invoice. Each party will reimburse the other party any amounts due upon termination of this Agreement. Termination will have no effect upon the rights or obligations of the parties arising out of any transactions occurring prior to the effective date of such termination.

## 8. GENERAL PROVISIONS

8.1. Advertising. Neither party may advertise or use any trademarks, service marks, or symbols of the other party without first receiving the written consent of the party owning the mark and/or symbol with the following exceptions: (i) Covered Entity may use the name and the addresses of Walgreens in Covered Entity's informational brochures or other publications Covered Entity provides to its patients or potential patients; and (ii) Walgreens may use Covered Entity's name, trademark, service mark, and/or symbols to inform patients and the general public that Walgreens is a pharmacy contracted for the dispensing of 340B Drugs to Eligible Patients. Any other reference to Walgreens in any Covered Entity materials must be pre-approved, in writing, by Walgreens.

8.2. Assignment. Walgreens may not assign this Agreement to any direct or indirect parent, subsidiary or affiliated company or to a successor company without the prior written consent of Covered Entity. Any permitted assignee will assume all obligations of Walgreens under this Agreement. No assignment will relieve Walgreens of responsibility for the performance of any obligations which have already occurred. This Agreement will inure to the benefit of and be binding upon Walgreens, its respective successors and permitted assignees. Covered Entity may not assign this Agreement without the prior written consent of Walgreens.

8.3. Confidentiality. To the extent not prohibited by applicable laws and regulations, including but not limited to, the California Public Records Act and the California Brown Act, the parties agree to protect the confidentiality of each other's records and business information disclosed to it and not to use such information other than as necessary and appropriate in connection with performance of this Agreement. Each party acknowledges that disclosure of confidential information of the other would cause the other party irreparable harm and may, without limiting the remedies available for such breach, be enjoined at the instance of the harmed party. Upon termination of the Agreement, each party agrees to cease use of the other's information and to return it, or destroy it, as appropriate. Nothing in this paragraph shall be construed to prevent either party from providing a copy of this Agreement to Manufacturer or DHHS upon their request. The parties acknowledge that this Agreement is a public record under California law.

8.4. Delegation. Walgreens must notify Covered Entity of any intention to delegate or subcontract the 340B Pharmacy Services to a contractor or subcontractor. Notification shall define the purpose and function of the delegated and/or subcontracted elements. The Covered Entity may provide objection to such delegation and/or subcontracting for good cause. Without objection from Covered Entity, Walgreens may delegate or subcontract the performance of the 340B Pharmacy Services to a contractor or subcontractor, provided that as a condition precedent to such delegation or subcontract, all services or other activities performed by such contractor or subcontractor shall be consistent with and comply with Walgreens' obligations under this Agreement.

8.5. Dispute Resolution. The parties shall attempt to resolve any dispute or claim arising out of the interpretation of or performance under this Agreement through informal discussions. When a dispute arises, either party may submit a written complaint to the other party describing and proposing the manner of resolving that dispute. The party receiving that complaint shall respond by accepting, rejecting, or modifying that proposal, in writing, within thirty (30) calendar days upon receipt of such complaint. If the claim or dispute cannot be resolved through informal discussions, the claimant may bring a legal action in a court of competent jurisdiction to adjudicate its claim or to enforce or interpret any part of this Agreement. The prevailing party in a legal action will be entitled to recover reasonable attorneys' fees to be determined by the judicial body. The attorneys' fees will be in addition to the amount of judgment or any other relief obtained by the prevailing party.

8.6. Enforceability. If any term or provision of this Agreement is held to be invalid, illegal, or unenforceable, the remainder of this Agreement or the application of such term or provision to persons or circumstances, other than those to which it is held invalid or unenforceable, will not be affected or impaired thereby.

8.7. Entire Agreement. This Agreement represents the entire understanding of the parties. Each party hereto warrants and represents that there are no other agreements or understandings between the parties, either oral or written, relating to the subject matter of this Agreement. Any amendments and/or modifications to this Agreement shall be in writing and will become effective and binding upon execution by authorized representatives of the parties hereto.

8.8. Force Majeure. The performance by either party hereunder will be excused to the extent of circumstances beyond such party's reasonable control, such as flood, tornado, earthquake, or other natural disaster, epidemic, war, material destruction of facilities, fire, acts of God, etc. In such event, the parties will use their best efforts to resume performance as soon as reasonably possible under the circumstances giving rise to the party's failure to perform.

8.9. Indemnification. Each party shall indemnify, defend, and hold harmless the other party from and against all third party claims, damages, causes of action, costs or expense, including court costs and reasonable attorneys' fees, which may arise as a result of the indemnifying party's negligent performance of or failure to perform, any term or condition of this Agreement. The obligation to indemnify shall survive termination of this Agreement regardless of the reason for termination.

8.10. Independent Contractor. None of the provisions of this Agreement are intended to create, nor shall they be deemed or construed to create, any relationship between the parties hereto other than that of independent entities contracting solely for the purposes of effecting the provisions of this Agreement. Neither of the parties shall be construed to be the partner, co-venturer, or employee or representative of the other party.

8.11. Notice. Any notice required or given under this Agreement shall be provided in writing sent by U. S. certified mail, return receipt requested, postage prepaid, or by overnight delivery service providing proof of receipt, to the addresses of the parties as set forth below:

SANTA BARBARA COUNTY PUBLIC HEALTH  
DEPARTMENT  
300 NORTH SAN ANTONIO ROAD  
SANTA BARBARA, CA 93110  
ATTN: DAN REID

WALGREEN CO.  
104 WILMOT ROAD, MS-1446  
DEERFIELD, IL 60015  
ATTN: 340B LEGAL (JO)

AND SEND VIA EMAIL TO:  
PHDResContractsUnit@sbcphd.org

AND SEND VIA EMAIL TO:  
HealthLawLegalNotices@Walgreens.com

Each party may designate by notice any future or different addresses to which notices will be sent. Notices will be deemed delivered upon receipt or upon refusal to accept delivery.

8.12. Patient Privacy and HIPAA Compliance. The parties recognize that each may be a healthcare provider and a covered entity within the meaning of the federal Health Insurance Portability and Accountability Act ("HIPAA"). The parties agree to protect and respect the patient's right to privacy and confidentiality concerning their medical and pharmaceutical records, and to protect all individually identifiable health information as protected health information from misuse or disclosure, in compliance with all applicable state and federal law. Without limiting the generality of the foregoing, the parties agree to use patient-specific information: (i) only for permitted treatment, billing and related record-keeping purposes; or (ii) as otherwise permitted by law. In the event that any patient information created, maintained or transmitted in connection with this Agreement is to be transmitted electronically, the parties agree that they shall comply in all respects with the requirements of HIPAA governing electronic transmission of individually identifiable patient information. Failure by either party to abide by these requirements shall be a basis for immediate termination of this Agreement.

8.13. Regulatory Compliance. Covered Entity and Walgreens mutually acknowledge that their intent in entering into this Agreement is solely to facilitate Covered Entity's 340B Drug Program. The services provided hereunder are only those necessary in order to fulfill this intent, and all financial arrangements established herein are mutually determined to represent either cost or fair market value for the items and services received. The parties expressly do not intend to take any action that would violate state or federal anti-kickback prohibitions, such as those appearing in Section 1128B of the Social Security Act,

42 USC Section 1320a-7b. Instead, it is the intention of the parties that this Agreement, and all actions taken in connection herewith, shall to the greatest extent possible be construed to be consistent with the regulatory requirements of the safe harbor for personal services and management contracts appearing in 42 CFR Section 1001.952(d) or health centers appearing in 42 CFR Section 1001.952(w). Both parties agree that they will neither knowingly resell nor transfer a 340B Drug to an individual who is not an Eligible Patient nor will they dispense 340B Drugs to any person whose prescription is reimbursable by a State Medicaid Agency.

8.13.1. Walgreens, by entering into this Agreement, attests to the fact that no Walgreens participating pharmacy staff member or subcontractors providing 340B Pharmacy Services under this Agreement (“Personnel”) are excluded from federal contracting or billing for eligible Medicare or Medicaid services or Medicare Part D pharmaceuticals.

8.13.2. In accordance with law and Walgreens customary practice, Walgreens shall conduct regular and frequent reviews of all Personnel against the Centers for Medicare & Medicaid Services Exclusions List and other applicable lists. Any Personnel appearing on such lists shall immediately be removed from providing 340B Pharmacy Services under this Agreement.

8.14. Signature Authority. Each party to this Agreement warrants that it has full power and authority to enter into this Agreement and that the person signing this Agreement on behalf of either party warrants that he or she has been duly authorized and empowered to enter into this Agreement.

8.15. Waiver. The waiver by either party of a breach or violation of any provision of this Agreement shall not operate as or be construed to be a waiver of any subsequent breach thereof.

8.16. California Law and Jurisdiction. This Agreement shall be governed by the laws of the State of California. Any litigation regarding this Agreement or its contents shall be filed in the County of Santa Barbara, if in state court, or in the federal district court nearest to Santa Barbara County, if in federal court.

8.17. Nondiscrimination. Covered Entity hereby notifies Walgreens that Santa Barbara County’s Unlawful Discrimination Ordinance (Article XIII of Chapter 2 of the Santa Barbara County Code) applies to this Agreement and is incorporated by this reference with the same force and effect as if the ordinance were specifically set out herein and Walgreens agrees to comply with said ordinance to the extent Walgreens’ compliance is required by the ordinance.

8.18. Severability. If this Agreement contains any unlawful provision which is not an essential part of this Agreement and which shall not appear to have been a controlling or material inducement to the making thereof, the same shall be deemed of no effect and shall, upon notice by either party, be deemed stricken from this Agreement without affecting the binding force of the remainder.

8.19. Counterparts. This Agreement may be executed in any number of counterparts, each of which will be deemed an original, but all of which together will constitute but one and the same instrument.

8.20. Survival. Any provision of this Agreement which by its terms requires, given its context, that it survive termination of this Agreement so as to effectuate the intended purposes and agreements of the parties, shall survive notwithstanding the termination of this Agreement.

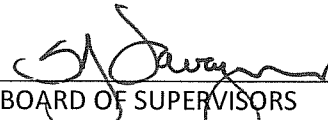
8.21. Representations and Warranties. The parties represent and warrant that they will maintain, in good standing, all federal, state, and local licenses and certifications as required by law.

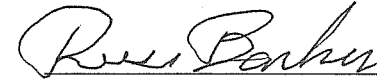


IN WITNESS WHEREOF, Covered Entity and Walgreens have executed and delivered this Agreement by their representatives duly authorized.

COUNTY OF SANTA BARBARA

ATTEST:  
MONA MIYASATO  
CLERK OF THE BOARD

  
\_\_\_\_\_  
CHAIR, BOARD OF SUPERVISORS

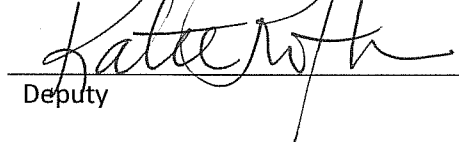
By:   
\_\_\_\_\_  
Deputy

Date: 1-7-14  
\_\_\_\_\_  
Deputy

APPROVED AS TO FORM:  
MICHAEL C. GHIZZONI  
COUNTY COUNSEL

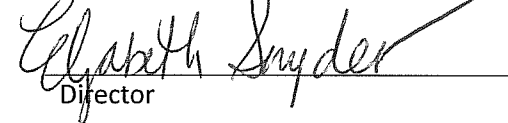
APPROVED AS TO ACCOUNTING FORM:  
ROBERY W. GEIS, CPA  
AUDITOR-CONTROLLER

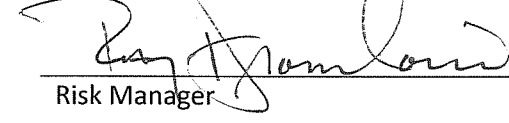
By:   
\_\_\_\_\_  
Deputy County Counsel

By:   
\_\_\_\_\_  
Deputy

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

APPROVED AS TO FORM:  
RAY AROMATORIO  
RISK MANAGER

By:   
\_\_\_\_\_  
Director

By:   
\_\_\_\_\_  
Risk Manager

IN WITNESS WHEREOF, Covered Entity and Walgreens have executed and delivered this Agreement by their representatives duly authorized.

WALGREEN CO.

By: Bryan Schneider

Name: Bryan Schneider

Title: DVP

Date: 12-18-13

Approval:	<u>Karl E. Tuh</u>	<u>12.18.13</u>
Pharmacy Services	<u>K. D. Stevens</u>	<u>12.17.13</u>
Legal		

**Exhibit A  
Fee Schedule**

1. Self-Pay Patients. For those Eligible Patients whose prescriptions are not reimbursable by a Private Insurer, Walgreens shall collect from the Eligible Patient the following amounts:

- 1.1 \$0.50 administrative fee for the Inventory Maintenance Services ("**Self-Pay Administrative Fee**");
- 1.2 \$13.00 dispensing fee for the 340B Pharmacy Services ("**Self-Pay Dispensing Fee**"); and
- 1.3 The price for the 340B Drug as set forth in the Price File ("**Drug Price**").

Walgreens shall be entitled to retain an amount equal to the Self-Pay Administrative Fee and the Self-Pay Dispensing Fee. Upon determination by Walgreens that Covered Entity is otherwise current in its payment obligations to Walgreens, Walgreens shall, in accordance with Article 5, remit to Covered Entity the Drug Price. Notwithstanding the foregoing, if at the time of dispensing Walgreens determines the Usual and Customary Charge is equal to or less than the total of the Self-Pay Administrative Fee, Self-Pay Dispensing Fee and Drug Price, such drug shall be considered a Non-Eligible 340B Drug and Walgreens shall charge the Usual and Customary Charge.

2. Private Insurer Patients. For those Eligible Patients whose prescriptions are reimbursable by a Private Insurer, Walgreens will process and bill the Eligible Patient's Private Insurer for the Contracted Rate provided to the Retail Pharmacy at the time of dispensing. Subject to the provisions that follow, Walgreens shall be entitled to retain up to 13% of the Contracted Rate for the Inventory Maintenance Services and such billing services ("**Private Insurer Administrative Fee**") and a \$13.00 dispensing fee for the 340B Pharmacy Services ("**Private Insurer Dispensing Fee**"). Upon determination by Walgreens that it has received the Contracted Rate for the Eligible Patient's prescription and provided that: (i) Covered Entity is current in its payment obligations to Walgreens; and (ii) the Contracted Rate exceeds the sum of Private Insurer Dispensing Fee, the Private Insurer Administrative Fee and the Drug Price; Walgreens will retain an amount equal to the sum of the Private Insurer Dispensing Fee and the Private Insurer Administrative Fee (such sum the "**Private Insurer Fee**") and, in accordance with Article 5, remit to Covered Entity the difference between the Private Insurer Fee and the Contracted Rate. If the difference between the Contracted Rate and the Private Insurer Fee is less than or equal to the Drug Price, Walgreens agrees to accept and retain the Contracted Rate as payment in full and there will be no further adjustment between the parties.

3. Inventory Replenishment Rate. The Inventory Replenishment Rate shall be the following:

- 3.1 *Brand Name Drugs*: the Average Wholesale Price of the dispensed pharmaceutical product minus 16.65%.
- 3.2 *Generic Drugs*: the Average Wholesale Price of the dispensed pharmaceutical product minus 70%.

4. Annual Price Adjustment. On the one year anniversary date of the Effective Date and annually thereafter, the parties agree the Self-Pay Administrative Fee, Self-Pay Dispensing Fee, Private Insurer Administrative Fee, and Private Insurer Dispensing Fee shall each be increased in an amount equal to the then current Consumer Price Index for All Urban Consumers as reported by the U.S. Department of Labor, Bureau of Statistics for the region where Covered Entity is located, All Items.

**Exhibit B**  
**Retail Pharmacy Locations and**  
**Central Inventory Replenishment Sites**

1. Retail Pharmacy Locations

<b>LOCATION</b>	<b>ADDRESS</b>	<b>CITY</b>	<b>STATE</b>	<b>ZIP CODE</b>
6290	937 N. H STREET	LOMPOC	CA	93436
6288	707 N. BROADWAY	SANTA MARIA	CA	93454
6287	2399 S. BROADWAY	SANTA MARIA	CA	93454

2. Central Inventory Replenishment Sites

<b>LOCATION</b>	<b>ADDRESS</b>	<b>CITY</b>	<b>STATE</b>	<b>ZIP CODE</b>
3397	8350 S RIVER PARKWAY	TEMPE	AZ	85284
2445	8337 S PARK CIRCLE	ORLANDO	FL	32819