



PREScription SERVICE AGREEMENT

This **PREScription SERVICE AGREEMENT** (“**Agreement**”) entered into by and between the undersigned client (“**Client**”) and Walgreen Co. (“**Walgreens**”) is effective as of the date set forth on the signature page (the “**Effective Date**”).

A. Client desires to arrange for the provision of prescription services to individuals eligible to receive such services (“**Participants**”), and Walgreens agrees to provide prescription services to Participants.

B. Therefore, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Client and Walgreens hereby agree as follows:

I. CLIENT’S RESPONSIBILITIES

1.1 Authorization. Client or its representative will provide Walgreens with Client’s authorization for a Participant to receive prescription services (“**Authorization**”). The form and content of the Authorization must be acceptable to Client and Walgreens and include, at a minimum, the Participant’s full name; the identification code assigned to Client by Walgreens; and, if applicable, the amount that Client directs Walgreens to collect from the Participant at the time a prescription service(s) is provided (“**Participant Payment Amount**”). Each party shall provide the other party no less than fifteen (15) days’ prior written notice of any requested changes in the form or content of the Authorization.

1.2 Coordination. The Authorization will be provided to Walgreens or each eligible Participant, as applicable, via telephone and/or facsimile, or an Authorization form. Receipt of Authorization by Walgreens will serve as evidence of Client’s authorization for the Participant to receive prescription services hereunder. Subject to the terms and conditions of this Agreement, Client is responsible for payment of all amounts due for prescription services provided by Walgreens pursuant to receipt of Authorization.

II. WALGREENS’ RESPONSIBILITIES

2.1 Covered Services. Upon Walgreens’ receipt of a prescription; Authorization; and, the Participant Payment Amount, if any, Walgreens will dispense the prescriptions to the applicable Participant or his/her representative in quantities as prescribed, subject to legal restrictions, professional ethics and the dispensing pharmacist’s professional judgment. Notwithstanding the foregoing,

Walgreens may withhold prescription services to a Participant for good cause, including, but not necessarily limited to, Client’s nonpayment for prescription services provided to Participants; nonpayment of the Participant Payment Amount, if applicable; requests by a Participant for quantities of drugs in excess of prescribed amounts or refill limitations; or where, in the professional judgment of the dispensing pharmacist, the prescription should not be filled.

III. PAYMENT/BILLING

3.1 Payment. In accordance with applicable law, payment shall be made in accordance with Chapter 2251 of the Texas Government Code, commonly known as the Texas Prompt Payment Act. Chapter 2251 of the Texas Government Code shall govern remittance of payment and remedies for late payment and non-payment. Client will pay Walgreens all amounts due under this Agreement, including but not limited to reimbursement amounts for prescription services provided to Participants, any fees—~~or~~ interest charges due hereunder, and subject to Section 3.4 below, any amounts arising out of applicable Tax. Payment shall be due within thirty (30) days from Client’s receipt of Walgreens’ invoice. Client will make payment to Walgreens’ designated bank account via an electronic funds transfer or via check to Walgreens’ remittance address. At the time of payment, Client will provide Walgreens with (i) a written explanation of the specific claims for which payment is made; and (ii) notice (in accordance with Section 3.2 below) of amounts subject to bona fide dispute, if any. Notwithstanding anything to the contrary in this Agreement, any claim of overpayment must be made by Client within twelve (12) months from the date of services.

3.2 Disputed Amounts. In the event Client in good faith disputes any amount invoiced by Walgreens, Client will notify Walgreens in writing within the time period specified in Section 3.1. The notice will identify the specific claims in dispute and include supporting documentation. Upon review of Client’s notice of dispute, if Walgreens (i) agrees with Client that an amount(s) is not properly billable to Client hereunder, Walgreens will adjust, as appropriate, the next invoice sent to Client; or (ii) rejects a disputed amount, Walgreens will provide written notice and documentation to support Walgreens’ rejection notice. Payment for rejected claims will be due within thirty (30) days’ of Client’s receipt of Walgreens’ rejection. In accordance with Chapter 2251 of the Texas Government Code, if a dispute is resolved in favor of the governmental entity, the vendor shall submit a corrections on the next invoice.

3.3 Late Payment. All sums owed by Client to Walgreens will bear interest of 1.5% per month from the date payment is due until paid; however, in no event will such interest rate be greater than the rate permitted by law. Client



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shall be solely responsible for any and all costs incurred by Walgreens in seeking collection of any delinquent amounts. Walgreens may invoice Client for interest and costs due under this Section 3.3 on a monthly basis and payment will be due within the time period set forth in Section 3.1. Notwithstanding the foregoing, to the extent there is a conflict with this section 3.3 and Chapter 2251 of the Texas Government Code, the Texas Government Code shall prevail. -

Client's Tax Exempt Status. In the event that Client provides Walgreens with a valid tax exemption certificate or other such documentation required under applicable law, to the extent allowable under applicable law, Client will not be responsible hereunder for the payment of Taxes to Walgreens. In the event Client loses its Tax exempt status, Client will promptly notify Walgreens in writing and Client shall be responsible for any Tax imposed in conjunction with this Agreement as of the date that Client lost its tax exempt status.

IV. TERM AND TERMINATION

4.1 Term. This Agreement is effective from September 8, 2020 through August 31, 2021 (the "**Initial Term**") as awarded through STAR PO 00-147065, unless sooner terminated pursuant to this Agreement. Upon expiration of the Initial Term, the parties may mutually agree in writing to extend this Agreement. However, in no event may the Agreement term, including all and any extensions, exceed two (2) years.

4.2 Termination Without Cause. Either party may terminate this Agreement at any time without cause by giving at least thirty (30) days' prior written notice to the other party.

4.3 Termination for Breach. Either party may terminate this Agreement in the event of a material breach by the other party and such termination will be effective thirty (30) days after written notice of such breach has been provided to the breaching party, unless such breach has been cured to the satisfaction of the non-breaching party prior to expiration of the thirty (30) day notice period. Notwithstanding the foregoing, in the event that Client fails to pay Walgreens amounts due hereunder, Walgreens may, in Walgreens' sole discretion: (j) terminate this Agreement upon ten (10) days' prior written notice to Client, unless full payment of the outstanding amount is received by Walgreens prior to expiration of the ten (10) day notice period; or (ii) suspend providing prescription services to Participants without terminating this Agreement until such time that the Client has cured the breach to Walgreens' satisfaction.

4.4 Additional Termination Rights. In addition to termination rights contained elsewhere in this Agreement, either party may immediately terminate this Agreement at any time upon written notice to the other party in the event the other party becomes insolvent or bankrupt.

4.5 Effect of Termination. 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.

V. LIABILITY AND INDEMNITY

5.1 Reserved

5.2 Reserved.

5.3 Limitation of Liability. In no event shall either party be liable to the other party under this Agreement for any special, incidental, indirect, exemplary, or consequential damages, whether based on breach of contract, warranty, tort (including negligence), lost profits or savings, punitive damages, injury to reputation, loss of customers or business, product liability, or otherwise, and whether or not such party has been advised of the possibility of such damage. Each party acknowledges and agrees that the foregoing limitations of liability are a condition to and material consideration for its entry into this Agreement. Notwithstanding the foregoing, nothing in the Contract shall be construed as a waiver of the Client's or the State's sovereign immunity, to the extent applicable. This Contract shall not constitute or be construed as a waiver of any of the privileges, rights, defenses, remedies, or immunities available either Party. The failure to enforce, or any delay in the enforcement of, any privileges, rights, defenses, remedies, or immunities available to either Party under the Contract or under applicable law shall not constitute a waiver of such privileges, rights, defenses, remedies, or immunities or be considered as a basis for estoppel. Neither Party waives any privileges, rights, defenses, or immunities available to them by entering into the Contract or by its conduct prior to or subsequent to entering into the Contract. EXCEPT FOR ANY EXPRESS WARRANTIES SET FORTH IN THIS AGREEMENT, THE PARTIES HEREBY DISCLAIM ANY IMPLIED WARRANTIES OF ANY KIND, INCLUDING WARRANTY OF MERCHANTABILITY, AND FITNESS FOR A PARTICULAR PURPOSE.

VI. GENERAL TERMS

6.1 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: either party may use the name and the addresses of the other party in materials to inform Participants that Walgreens provides prescription services.

6.2 Regulatory Compliance. This Agreement shall be construed to be in accordance with, and each party will comply with, all applicable laws, rules, and regulations. Client represents and warrants that its program to provide prescription services to Participants complies with applicable state and federal anti-kickback and beneficiary inducement prohibitions. Each party will cooperate with reasonable requests by the other

party for information that is needed for its compliance with applicable laws, rules, and/or regulations.

6.3 Confidentiality of Protected Health Information. Each party warrants that it will protect and respect each Participant's right to privacy and confidentiality concerning their medical and pharmaceutical records, and protect all individually identifiable health information as protected health information ("PHI") from misuse or disclosure in compliance with all applicable state and federal laws, including the Health Insurance Portability and Accountability Act of 1996, as amended. Failure by either party to abide by these requirements shall be a basis for immediate termination of this Agreement. The parties acknowledge and agree that nothing herein will limit either party's use of any aggregated Participant information that does not contain PHI. This Section will survive termination of this Agreement.

6.4 Non-Exclusivity/Patient Choice. The parties acknowledge that this Agreement does not create an exclusive relationship, and that either party may freely enter into similar agreements with other parties. The parties also acknowledge that Participants are free to choose a pharmacy provider of his or her choice, and nothing herein shall be construed to require an individual to obtain services from Walgreens.

6.5 Entire Agreement. This Agreement, which includes any and all documents, attachments, exhibits and schedules referenced herein or attached hereto, constitutes the entire and full agreement between the parties relating to the subject matter of this Agreement. Any prior negotiations, agreements, documents, understandings, or representations relating to the subject matter of this Agreement not expressly set forth herein or referred to or incorporated herein by reference are of no force or effect. Except as otherwise set forth herein, no changes, amendments, or alterations to this Agreement will be effective unless reduced to writing signed by a duly authorized representative of each party.

6.6 Covered Products and Exclusions. This Agreement is only applicable to Covered Products. Client may provide written notice of requested changes to the list set forth in Section 8 below and such changes will become effective if Walgreens provides Client with written notice of agreement and acceptance. Notwithstanding the foregoing, in no event may Client retroactively change the Covered Products list. The parties further acknowledge and agree that the following services are specifically excluded from this Agreement: starter dose services, Indian tribal, mail-order, specialty, specialty at retail, clinical, ancillary, immunization and 340B services.

6.7 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 terrorism, acts of God, etc. In such event, the affected party will use its best efforts to resume performance as soon as reasonably possible under the circumstances giving rise to the party's failure to perform.

6.8 Insurance. Each party 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 the party, its employees, and agents against any claim or claims for damages arising out of or in connection with its duties and obligations under this Agreement. Upon request from Walgreens, Client will provide a memorandum of insurance or certificate of insurance. Walgreens' insurance information is available at www.walgreens.com/insurance.

6.9 Notices. All notices provided for herein must be in writing sent by U.S. certified mail, return receipt requested, postage prepaid, or by overnight delivery service providing proof of receipt to the applicable address set forth following the signature blocks below. Notices will be deemed delivered upon receipt or upon refusal to accept delivery.

6.10 Third Party Rights. This Agreement is solely between Walgreens and Client and may not be construed to create any rights or remedies in favor of any third party, including, but not limited to, any Participant.

6.11 Signatory Authority. Each party represents and warrants that the individual signing this Agreement on its behalf is duly authorized to bind such party to all terms and conditions herein.

6.12 Waiver. No waiver by either party with respect to any breach or default of any right or remedy and no course of dealing may be deemed to constitute a continuous waiver of any other breach or default of any other right or remedy unless such waiver is expressed in writing by the party to be bound.

VII. DEFINED TERMS

7.1 "Average Wholesale Price" means the Average Wholesale Price for each drug product in the database as defined by Medi-Span or another nationally recognized source used by Walgreens.

7.2 "Compound Drug" means a prescription medication which would require the dispensing pharmacist to produce an extemporaneously produced mixture containing at least one Federal Legend drug, the end product of which is not available in an equivalent commercial form. For purposes of this Agreement, a prescription drug will not be considered a Compound Drug if it is reconstituted or if the only ingredient added to the prescription is water, alcohol or



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Covered Products are those products checked below:

- Federal Legend Drugs
- Brand Name Drugs Generic Drugs
- Over-the-Counter Products and Medications
- Compound Drugs

8.2 Reimbursement Rates. For each Federal Legend Drug dispensed to a Participant under this Agreement, Client will reimburse Walgreens in accordance with the reimbursement rates set forth below, minus any Participant Payment Amount collected directly from the Participant. Client will reimburse Walgreens the Usual and Customary charge for all other Covered Products dispensed under this Agreement, minus any Participant Payment Amount collected directly from the Participant.

8.2.1 Brand Name Drugs: the lesser of the Average Wholesale Price of the dispensed medication minus 12% plus a dispensing fee of \$0, or dispensing pharmacy's Usual and Customary.

8.2.2 Generic Drugs: the lesser of the Average Wholesale Price of the dispensed medication minus 65% plus a dispensing fee of \$0 or dispensing pharmacy's Usual and Customary.

a sodium chloride solution.

7.3 "Covered Product(s)" means any product(s) specifically agreed to in Article VIII.

7.4 "Federal Legend Drug" means any drug product that may only be dispensed pursuant to a prescription.

7.5 "Tax" means any sales tax, imposition, assessment, excise tax, or other government levied amount based on purchase at wholesale or Walgreens' sale of prescriptions to Participants either on gross revenues or by transaction, whether such tax is designated a sales tax, gross receipts tax, retail occupation tax, value added tax, wholesaler distributor 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.

7.6 "Usual and Customary Charge" means the amount charged by the dispensing pharmacy at the time of dispensing of a pharmaceutical product or service to a customer with no coverage by a third party payor, exclusive of: (i) Tax; (ii) discounts claimed; or (iii) discounts provided for prescription drug savings card or other similar discounts.

VIII. COVERED PRODUCTS

8.1 Covered Products. The parties agree that

[Signature Page Follows Immediately]

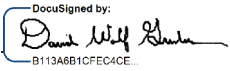


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EFFECTIVE DATE: October 21, 2020

IN WITNESS WHEREOF, Client and Walgreens have executed this Agreement.

CLIENT: DEPARTMENT OF STATE HEALTH SERVICES

SIGNATURE:  _____
DocuSigned by:
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NAME: David Gruber

TITLE: Associate Commissioner for RLHS

DATE: June 11, 2021

Legal Notice Address:
100 W 49th Street T-502.3, mc 1990
Austin, TX 78756
Attn.: Jonah Wilczynski, Unit Director

WALGREEN CO.

SIGNATURE:  _____
DocuSigned by:
5BDC80722D7B415...

NAME: Scott Schuler

TITLE: GVP - Contracting and Pricing

DATE: June 11, 2021

Legal Notice Address:
Walgreen Co.
104 Wilmot Road, MS 1446
Deerfield, IL 60015
Attn: Health Law (KDD)