

COUNTY OF KENDALL, ILLINOIS

Health & Environment Committee

County Office Building

County Board Rooms 209-210

Monday, June 20, 2016 - 9:00a.m.

MEETING AGENDA

1. Call to Order
2. Roll Call: John Purcell, Judy Gilmour, Dan Koukol, Elizabeth Flowers, Matthew Prochaska
3. Approval of Agenda
4. Approval of Minutes from May 16, 2016
5. Status Reports
 - Health Department
 - Soil & Water
 - Water Related Groups
 - Other Reports
6. Old Business
7. New Business
 - *NACO Prescription Program*
8. Chairman's Report
9. Public Comment
10. Questions from the Media
11. Action Items
12. Executive Session
13. Adjournment

COUNTY OF KENDALL, ILLINOIS
Health & Environment Committee
Monday, May 16, 2016
Meeting Minutes

CALL TO ORDER

The meeting was called to order by Chair Judy Gilmour at 9:00a.m.

ROLL CALL

Committee Members Present: Judy Gilmour – , John Purcell – , Matthew Prochaska - , Dan Koukol - here

Committee Members Absent: Elizabeth Flowers

Others Present: Megan Andrews, KC Soil & Water District, Steve Curatti KC Health Department Program Administrator

APPROVAL OF AGENDA –Member Koukol made a motion to approve the agenda, second by Member Prochaska. **With all in agreement, the motion carried.**

APPROVAL OF MEETING MINUTES – Member Purcell made a motion to approve the meeting minutes from March 21, 2016, second by Member Prochaska. Member Gilmour stated that the third paragraph on page 2 needed to be corrected to read: “They also want to better understand the potential impact of this fault line on residential wells”. **With four members present voting aye, with the amendment, the motion carried.**

STATUS REPORTS

- **Health Department** – Steve Curatti informed the committee that the Health Department was awarded a three-year accreditation by the Commission on the Accreditation of Rehabilitation Facilities, which includes children, adolescents and criminal justice (a partnership with the Kendall County Correctional Facility).

Mr. Curatti reported that the Health Department provides individual substance abuse treatment, group psycho-education, and outreach to male and female inmates in the Kendall County jail.

Mr. Curatti also reported that there is evidence that supports that forty-eight percent of those released from prison each year recidivate within three years of release and nineteen percent w; recidivate within one year of release.

Mr. Curatti said that the Kendall County Health Department Substance Abuse treatment clinicians provide individual substance abuse treatment to county jail inmates throughout the week. These clients are identified as having substance abuse problems and referred to KC

Health Department, by our county jail's nurse. These clients, once released from jail, are encouraged to seamlessly continue receiving treatment at the Kendall County Health Department – and without having to repeat an initial intake and assessment.

However, each Friday, one of the Health Department clinician's or the Executive Director conducts a Health, Well-being and Transformation psycho-education group. Participation by the inmates is voluntary, and there is no direct cost to the inmate or the jail. Topics discussed in group include: Whole health and well-being, comprehensive mental health, substance abuse and high-risk behavior, education and employment in the change process.

Mr. Curatti said that general aims of the group are successful community reentry and prevention of recidivism, building rapport with the inmates, building trust and productive working relationships. Participants are encouraged and many appear encouraged to seek treatment following their incarceration. Currently the health Department are providing treatment to 4-6 individuals who first connected with us while serving time in jail. This equates to successful community reentry and prevention of recidivism.

- **Kendall County Soil and Water District** – Jenny Wold updated the committee on the Natural Resources Tour, and said that over 500 children visited stations regarding the Forest Preserve, Water, Ticks and Mosquitos at the Hoover Forest Preserve this year.

Jenny Wold was in 23 of the 24 elementary schools in Kendall County this year with the exception of St. Mary's.

Ms. Wold reported there will be a Farm and Safety Camp at Kellogg Farms again this summer. Last year's attendees were immersed in agricultural industry and safety issues present on a farm and in homes. Camp activities included presentations from the Bristol-Kendall Fire District, Staudacher Farms and Precision Hawk, a company specializing in the use of drones to increase precision in farming. Ms. Wold said they expect to be fat capacity with approximately 40 students this year.

Megan Andrews reported she continues to be involved in the updating of the Illinois Urban Manual with new standards and information. Ms. Andrews said the Illinois Urban Manual is an additional resource and is intended for use as a technical reference by developers, contractors, planners, engineers, consultants, government officials and others involved in inspection of soil erosion and sediment control best management practices on construction sites in Illinois.

The manual that includes soil erosion and sediment control practices, practices related to green infrastructure, stormwater management and special area protection. New and updated standards currently being finalized to be added to the manual include: Sediment Forebay, Soil Stockpile Stabilization, Temporary Sediment Basin, Soil Bioengineering, Dry Detention Basin, Extended Detention Basin, Wet Bottom Detention Basin, Wetland Basin, Inlet Protection – Impervious Surface Areas, Inlet Protection – Previous Surface Areas.

Ms. Andrews reported in recent month's they have offered an Ag Drainage workshop, Soil Erosion and Sediment Control workshop, Nutrient management workshop, Tree and Plant Sale, and Fish Sale.

➤ **Water Related Groups – No report**

OLD BUSINESS – Dr. Tokars updated the committee of the review of the restoration ordinances (well, sewer and food). Dr. Tokars said the Health Department and Planning, Building and Zoning will be reviewing those documents later this month, and once there is concurrence, the ordinances will go to the State's Attorney's Office for review, and then on to the state, back to the Health & Environment Committee and then to the County Board for final approval. Dr. Tokars said that any changes to do with water or well, must be reviewed by the state.

NEW BUSINESS - None

CHAIRMAN'S REPORT – Member Gilmour reported that the 708 Mental Health Board will meet on June 8, 2016 and have grant applicant presentations. Member Gilmour also reported that 708 Mental Health Board Chair Gloria Mathewson has resigned her position and will be moving to central Illinois later this month. Member Gilmour thanked Ms. Mathewson for her leadership and contributions to the 708 Mental Health Board for so many years.

PUBLIC COMMENT – None

ACTION ITEMS - None

EXECUTIVE SESSION – None Needed

ADJOURNMENT- Member Koukol made a motion to adjourn the meeting, second by Member Prochaska. **The meeting was adjourned at 10:15a.m.**

Respectfully Submitted,

Valarie McClain
Administrative Assistant/Recording Secretary

Our History:

Community Action



Lyndon Johnson and His War on Poverty

CSBQ



The Early Years of Economic Opportunity Act



- The Office of Economic Opportunity was placed in the Executive Office of the President. The first Director was Sargent Shriver, brother in-law of President Kennedy and Robert Kennedy
- OEO and the EOA faced political and funding challenges
 - Big city mayors
 - Southern State politicians
 - Focus on Vietnam



Economic Opportunity Act of 1964



Some of the programs under the EOA of 1964 include:

- Community Action Agencies
- VISTA
- Job Corps
- Neighborhood Youth Corps
- Head Start
- Adult Basic Education
- Family Planning
- Community Health Centers
- Economic Development CDCs
- Foster Grandparents
- Legal Services
- RSVP
- Neighborhood Centers
- Congregate Meal Centers
- Summer Youth Programs
- AND SO MUCH MORE!!

Office of Economic Opportunity and Community Action Growth



- War on Poverty at a local level
- CAAs expanded programs rapidly and set up centers in low-income communities, reaching out to involve and train the poor.

Mission of Community Action Agencies



“...to stimulate a better focusing of all available local, State, private, and Federal resources upon the **goal** of enabling **low-income families**, and *low-income individuals of all ages, in rural and urban areas, to attain the skills, knowledge, and motivation to secure the opportunities needed for them to become self-sufficient.*”



Nixon Administration - 1969



- The Act thus gives the CAA a primarily mission: to **make the *entire community* more responsive to the needs and interests of the poor by *mobilizing resources.***



Nixon Administration - 1969



A CAA's *effectiveness*, therefore, *is measured* not only by the services which it directly provides but, more importantly,

by the improvements and changes it achieves

in the community's attitudes and practices toward the poor and in the allocation and focusing of public and private resources for antipoverty purposes.

Distracted by War, EOA is Saved - 1974



- Nixon develops Public Employment programs and price controls but becomes distracted by Vietnam and Watergate.
- Nixon does not veto EOA but does not support increases in funding for key programs.



Carter Administration

CSBQ



- CAA involvement with Weatherization and solar greenhouse projects began during this period.



The New Community Service Block Grant

CSBG



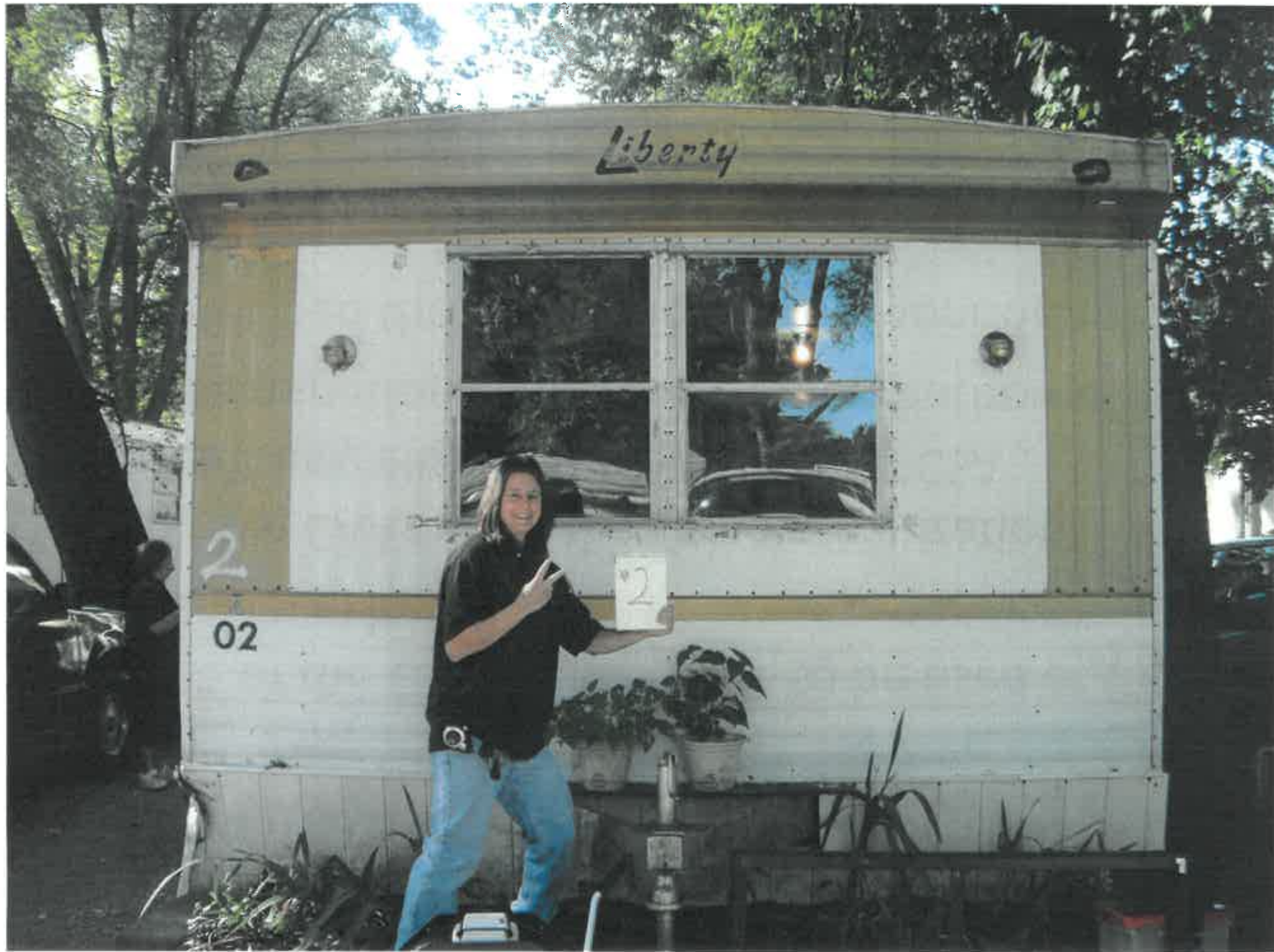
- In 1981, Ronald Reagan's first budget intended to eliminate CSA and funding for CAAs
- *In* 1981 the Economic Opportunity Act repealed, eliminated CSA and established the Community Service Block Grant (CSBG)
- An office was created at Health and Human Services to transfer the funds to the States

CSBG



- Organizations eligible under EOA and CSA remained eligible
- States oversee the distribution and use of local funds
- CSBG supports approximately 1,000 local CAAs
- The purpose, goals, and values of the EOA are retained.





Community Action Agencies



-
- 90% of the CSBG funds were to be used at the local level by CAAs.
 - Eligible CAAs were the same organizations previously eligible under OEO and CSA determinations. They were “grandfathered”.
 - States had the responsibility for monitoring CAAs

Illinois 1982

CSBG

- This was the first year for CSBG.
- The cost allocation was \$15,572,985 for Illinois.
- The cost allocation for the United States was \$314,450,427.
- There were approximately 21 Illinois CAA's at this time.



Shifts in the Policy Lead the Way



- President Bill Clinton's administration implemented the most significant changes in welfare policy since the Great Society.
- Newt Gingrich, then Speaker of the House, supported the largest increase in Community Action funding ever while supervising the cuts in many other federal social programs.



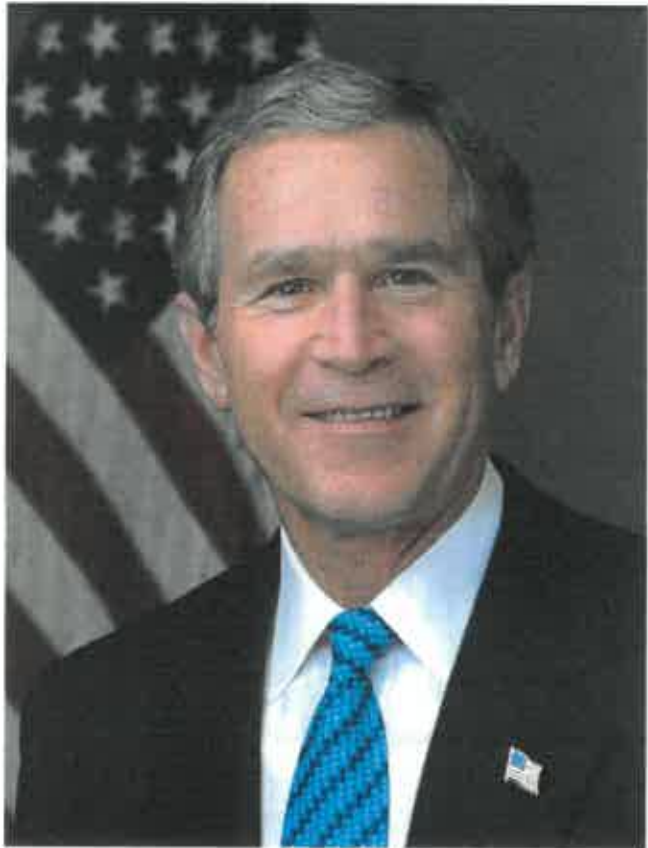
Illinois Allocation from 1996-1997



- Allocation was \$18,495,045 in 1996
- Allocation was \$23,099,567 in 1997
- The overall percentage that Illinois received both years was 4.8%
- The total federal allocation increased by about \$94,500,000.
- This was the largest financial jump so far in allocation history for CSBG.



President George W. Bush



- CSBG continuously slated for elimination. It is seen as a duplicative program without results.
- However, from 2000-2001, the Illinois allocation jumped from \$24,775,572 to \$28,173,532.
- We were receiving 4.7% of the total federal allocation both years.
- During 2005, 2006, and 2007, Illinois stayed at \$29 million and 4.7% of the allocation.

President Barack Obama



“With respect to the history of fighting poverty, I got my start in public service as a community organizer working in the shadow of steel plants that had been closed in some of the poorest neighborhoods on the South Side of Chicago. That’s what led me to want to serve.

And so I am constantly thinking about **how do we create ladders for communities and individuals to climb into the middle class.”**

~ President Barack Obama, White House Press Conference, September 10, 2010



American Recovery and Reinvestment Act



- In 2009, CSBG received an additional \$985,000,000 allocation for ARRA.
- Illinois received \$47,232,781 ON TOP OF their \$32,870,213 allocation.



President Obama



-
- 2011 State of Union asks for a sizeable decrease in CSBG
 - Less than a week after the SOTU, the President plans to cut community action by 50% and reformulate the program to make it based on performance...





Measurement and Evaluation



- The Obama Administration differentiates between performance measurement and program evaluation
- Performance information, like the data CAA collect is important and valued.



Federal OCS Principles for CSBG Reform



- Place-based services to address the causes and impacts of poverty
- Maximize the percentage of funding devoted to high quality community services rather than toward general administrative expenses





Kendall-Grundy Community Action

The mission of Community Action is to encourage self-sufficiency, while reorganization the need for personalized, direct services for residents faced with poverty or crisis.

Services available to residents include:

Low income Home Energy Assistance Program (LIHEAP)	Illinois Home Weatherization Assistance Program (IHWAP)
Designed to help low-income households pay for winter and summer energy services.	Designed to help low-income households save fuel and money while increasing the comfort of their homes.

Community Services Block Grant since 1983

Information and Referral	Scholarships	Drive to Success	Employment Support
<i>Access to needed resources through a comprehensive network.</i>	<i>To Assist low-income individuals continue their education.</i>	<i>To Assist low-income individuals maintain transportation.</i>	<i>Assist clients to obtain/maintain employment</i>

2016 CSBG SCHOLARSHIP WINNERS





Valarie McClain

From: Alex Koroknay-Palicz <akpalicz@naco.org>
Sent: Thursday, May 12, 2016 5:32 PM
To: Jeff Wilkins
Subject: RE: NACo Live Healthy Prescription, Health & Dental Discount Program
Attachments: Kendall County, IL Rider (5-10-16).doc; NACoLiveHealthyContract.pdf

Jeff,

The rider is attached that will waive the exclusivity clause. Just sign and return that, as well as the overall contract (be sure to sign exhibit B). And you'll be all set. I recommend also adding on the health & dental discount as well.

Alex Koroknay-Palicz
Membership Coordinator
National Association of Counties
<http://www.naco.org>
AKPalicz@naco.org
Office: 202-942-4291

From: Jeff Wilkins [mailto:JWilkins@co.kendall.il.us]
Sent: Friday, April 29, 2016 1:25 PM
To: Alex Koroknay-Palicz
Subject: RE: NACo Live Healthy Prescription, Health & Dental Discount Program

Alex,

Thank you for your prompt response. That's good news and the other discount options are promising. What format is the waiver- an addendum to the contract signed by the three parties (NACO, Kendall County and Caremark) or release of exclusivity contract requirement signed by NACO and Caremark, or some other format?

Jeff Wilkins
Kendall County Administrator



From: Alex Koroknay-Palicz [mailto:akpalicz@naco.org]
Sent: Thursday, April 28, 2016 5:17 PM
To: Jeff Wilkins <JWilkins@co.kendall.il.us>
Subject: NACo Live Healthy Prescription, Health & Dental Discount Program

Jeff,

It was good talking to you the other day. I looked into your request and yes, it does look like we can give your county a waiver on the exclusivity portion of the contract. I've attached some information about the health & dental discount option. It is a great program and I highly recommend the county add those discounts. You just need to fill out and return the attached form. Please let me know if there is anything else I can do for you, thanks!

Alex Koroknay-Palicz
Membership Coordinator
National Association of Counties
<http://www.naco.org>
AKPalicz@naco.org
Office: 202-942-4291

RIDER 1

With respect to Member County's participation in the Consumer Card Program, the parties intend and agree to revise the terms of the Agreement as follows:

1. Section 9(h) shall be deleted from the Agreement.

[Signature page follows.]

NATIONAL ASSOCIATION OF COUNTIES

By: _____

Title: _____

Date: _____

MEMBER COUNTY:

KENDALL COUNTY, ILLINOIS

By: _____

Title: _____

Date: _____

CAREMARKPCS HEALTH, L.L.C.

By: _____

Title: _____

Date: _____

Dear County Officials:

Please complete the steps listed below to implement the NACo Prescription-Health-Dental Discount Program in your county. An incorrect checklist or contract will result in a delayed implementation of the program.

- 1. Counties, Parishes, Boroughs sign exhibit B of the contract which attaches the county to the overall NACo contract (IMPORTANT: *this is on page 14*). If your county chooses to receive the optional marketing reimbursement fee, you will need to also submit your signed Rider 1 along with the Exhibit B.**
- 2. Complete the NACo checklist.**
- 3. Mail all contract paperwork and the checklist to:**

**Andrew S. Goldschmidt CAE, MBA
Director of Membership Marketing
NACo—National Association of Counties
25 Massachusetts Ave, Ste. 500
Washington, DC 20001**

- 4. Email your county seal/logo to nacorx@caremark.com (if applicable).**
- 5. Begin your internal planning process to promote the program. Please visit the members only section for the program at www.naco.org/health for program related materials. Please contact me at 1-888-407-NACo (6226) or agoldschmidt@naco.org if you need assistance logging in.**

Please contact me if you have any questions or need further information. NACo thanks you for being a member county and looks forward to working with you on this exciting program!

Sincerely,

**Andrew S. Goldschmidt CAE, MBA
Director of Membership Marketing
National Association of Counties
25 Massachusetts Ave, Ste. 500
Washington, DC 20001
202-942-4221 or 1-888-407-6226 (NACO)
agoldschmidt@naco.org**

The above message and enclosed attachments are confidential and should not be shared outside of the county officials considering the program without permission from NACo.

Sign up your county today

Join the NACo Live Healthy program. It's easy. Complete this registration form, save it to your desktop and then attach in an email addressed to membership@naco.org

Or mail this form to:

Andrew S. Goldschmidt, CAE, Director of Membership Marketing
National Association of Counties
25 Massachusetts Ave., NW Ste. 500, Washington, DC 20001

After you register, we'll send you customized materials to promote Live Healthy in your county.

County Name: _____

Main County Contact: _____

Title: _____

Street Address: _____

City: _____ State: _____ Zip: _____

Phone: _____

Email: _____

County Website _____

Number of County Residents: _____

Please check which NACo Live Healthy discounts your county would like to offer its residents:

(Counties must participate in the prescription part of the program in order to add another program):

Prescription—already enrolled Health Dental

Prescription

By checking this box you are confirming that the NACo Live Healthy programs checked above are approved by the County's elected board.

Spanish materials required? Yes No

One more thing...

We will need your county's logo/seal to customize your Live Healthy materials. Then you'll be able to share this exclusive discount program with your residents. A jpg file of your county logo is necessary to complete your registration.

Send an email with the jpg file as an attachment to NACoRx@caremark.com. Indicate the county name and logo attached in the subject line. The email should also include:

- A contact/name and street address for the delivery of member ID cards and display materials if it differs from the address on the registration form. (Please note we cannot deliver to P.O. boxes.)
- A description of how the county name should appear/read on the member ID card.

For questions, call **888-407-NACo (6226)**, or email us at membership@naco.org

CAREMARKPCS HEALTH, L.L.C.

AMENDED AND RESTATED MANAGED PHARMACY BENEFIT SERVICES AGREEMENT

CONSUMER CARD PROGRAM

THIS AMENDED AND RESTATED AGREEMENT (the "Agreement") is effective beginning January 1, 2012 (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.L.C., ("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 Agreement amends the existing Member County Agreements consistent with the terms thereof. Customer agrees that it will require each Member County added after the Effective Date to execute an individual agreement with Caremark in the form attached hereto as Exhibit B (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 A 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 Participants, 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. **Customer's Authorization.** Customer authorizes Caremark to contract as a group purchasing organization for Customer with pharmaceutical companies for Rebates. Customer acknowledges that whether and to what extent pharmaceutical companies are willing to provide Rebates to Customer may depend upon a variety of factors, including the content of any drug list adopted by Customer, the plan's design features and participating in Caremark's drug list management programs, as well as Caremark receiving sufficient information regarding each Claim that is submitted to pharmaceutical companies for Rebates.

b. **Disclosure of Manufacturer Fees.** In accordance with Section 1.8(a) of this Agreement, Caremark or its affiliates may hold contracts with certain pharmaceutical companies relating to products covered under this Agreement. The parties agree that Caremark shall retain one hundred percent (100%) of the Rebates as reasonable compensation for its services under this Agreement. In connection with such contracts, Caremark or its affiliates may have a financial relationship with such pharmaceutical companies and may receive and retain fees or other compensation from pharmaceutical companies for services rendered and property provided to pharmaceutical companies, including, without limitation, administrative fees that range between one percent (1%) and four percent (4%) of the Wholesale Acquisition Cost ("WAC") of the products dispensed across Caremark's book of business. In addition, Caremark or its affiliates may receive concurrent or retrospective discounts or Rebates from pharmaceutical companies which are attributable to or based on products purchased by Caremark affiliated dispensing pharmacies. The term "Rebates" as used in this Agreement does not include the fees, compensation, and concurrent or retrospective discounts associated with the purchase price of products described in this Section 1.3, which belong exclusively to Caremark or its affiliates.

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.

a. **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.

b. **Remedies.** Additional services may be mutually agreed-upon by the parties, and the associated fees for such services, if any, will be identified in Exhibit A 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.

c. **Pricing Changes.** After the Initial Term of this Agreement, as set forth in Section 7.a, 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.

a. **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.a. Caremark may terminate this Agreement immediately in the event Member County or Customer fails to comply with the provisions of this Section 3.a.

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, 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 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 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.

a. **Use of Deidentified Data.** Claims, as well as eligibility information which is deidentified in accordance with HIPAA and other applicable law, and which is not identifiable on a Customer or Plan Participant basis, may be used, disclosed, reproduced, adapted or sold by Caremark. Such deidentified data may be provided to nationally recognized data integration firms to support appropriate administration of Caremark's drug management programs.

This benchmarking data enables Caremark to compare against other drug population sets and improve programs and Services for clients.

b. **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.

a. **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.

b. **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.

c. **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.

d. **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.

e. **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.

f. **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.

g. **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.

h. **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.

a. **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.a, 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.

b. **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.b will not constitute a default or a ground for termination of this Agreement.

c. **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 or a Caremark Indemnitee, as the result of a third party claim that Customer or Member County, its officers, directors, employees, agents, successors, or assigns acted with negligence, willfully, and/or in violation of applicable standards of care, provided that the Caremark Indemnitee has acted in a manner that is consistent with this Agreement, the Consumer Card Program 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. To the extent permitted by applicable Law, 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.

d. **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/a.155/3370?cms=CMS-2-007764>.

e. **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.

f. **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.

Caremark shall be entitled to rely on First Data Bank, Medi-Span or any other nationally available reporting service of pharmaceutical prices selected by Caremark to determine AWP for purposes of establishing the pricing provided to Customer under this Agreement. Customer acknowledges that Caremark does not establish AWP, and Caremark shall have no liability to Customer arising from the use of First Data Bank, Medi-Span or any other nationally available reporting service. Customer acknowledges that if the reporting source for determining Customer's AWP should not continue to support AWP, Customer shall cooperate with Caremark to negotiate the pricing hereunder to maintain the parties' respective economic position under this Agreement as of the Effective Date.

7. TERM AND TERMINATION OF AGREEMENT.

a. **Term.** This Agreement is for an initial term of five years from the Effective Date, through December 31, 2016 (the "Initial Term"), and will automatically continue in effect for successive one year terms thereafter, subject to the remaining provisions of this Section.

b. **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.e 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.a 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
25 Massachusetts Avenue, NW
Suite #500
Washington, DC 20001
Attn: Mr. Andrew Goldschmidt, Director, Membership Marketing
Fax No.: (202) 393-2630

9. MISCELLANEOUS.

a. **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.

b. **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.

c. **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.

d. **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.

e. **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.

f. **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.

g. **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.

h. **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 program or services which Caremark may offer to a Member County or Participant.

l. Drug Classification and Pricing. Caremark shall use the indicators of Medi-Span Master Drug Database (Medi-Span), and their associated files, as updated regularly by Medi-Span, or another nationally available reporting service of pharmaceutical drug information in determining the classification of drugs (e.g. legend vs. over the counter, brand vs. generic, single-source vs. multi-source) for purposes of this Agreement.

j. Customer-Specific Programming. Upon request by the Customer for services or changes to Services that require customized programming or systems work, Caremark will estimate the time and cost for completion of such work. If Customer authorizes Caremark to perform such work, it will pay Caremark the cost of performing such work at the established programming rate.

k. Pricing Assumptions. In addition to any pricing assumptions set forth in any pricing implementation or similar document that is executed by Customer:

(a) Upon thirty (30) days prior written notice to Customer, Caremark may modify or amend the financial provisions in this Agreement in a manner which accounts for the impact of the events identified below. Such notice will include Caremark's explanation of the manner in which the modification accounts for the impact of the event:

1. Any government imposed or industry wide change that would impede Caremark's ability to provide the pricing described in this Agreement, including any prohibition or restriction on the ability to receive Rebates or discounts for pharmaceutical products; or
2. A change in any of the pricing assumptions set forth in this Agreement, including, Exhibit A.

(b) **Pricing Benchmarks.** The parties acknowledge that the pricing indices historically used by Caremark are the basis for the financial offer of this Agreement and are outside the control of the parties. In the event First DataBank, Medi-Span or other nationally available AWP reporting source discontinues the reporting of AWP or changes the manner in which AWP is calculated prior to the Effective Date, or during the Term, then Caremark reserves the right to modify the pricing terms of this Agreement, to be effective as of the Effective Date or such later effective date of such discontinuation or change, so as to maintain the parties' relative economic positions as existed immediately before the effective date of such discontinuation in reporting or change in the calculation of AWP, as measured across all products on an aggregate basis. Such modifications may include, without limitation, the adjustment of AWP to the methodology relied on by such reporting source prior to such modification of AWP methodology, the adjustment of the AWP discount, or the utilization of alternate pricing benchmarks.

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

a. "AWP" means the "average wholesale price" for a standard package size of a prescription drug from the most current pricing information provided to Caremark by First DataBank®, Medi-Span Prescription Pricing Guide (with supplements), or following notice to Client, any other nationally available reporting service of pharmaceutical prices as utilized by Caremark as a pricing source for prescription drug pricing. The standard package size applicable to a mail service pharmacy shall mean one hundred (100) units (i.e., pills, tablets, capsules, etc.), unless only a smaller package size is available from the manufacturer, or the actual package size dispensed for liquids and topical treatments. The standard package size applicable to a Participating Pharmacy shall be the actual package size dispensed from a Participating Pharmacy as reported by such Participating Pharmacy to 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 unit price that has been established by Caremark for a multi-source drug (i.e., a drug with more than two sources) included on the MAC drug list applicable to Customer, which list may be amended from time to time by Caremark in maintaining its generic pricing program. Customer acknowledges that the MAC list applicable to Client is not the same as the MAC list published by the Centers for Medicare and Medicaid Services (formerly known as the Health Care Financing Administration, or "HCFA MAC"). A copy of such MAC drug list shall be provided to Customer prior to execution of this Agreement and thereafter upon Customer's reasonable request.

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

By: *N.S. Nash*

Title: *Exec. Dir.*

Date: *12-20-11*

CAREMARKPCS HEALTH, L.L.C.

By: *Alison Brown*

Title: *SVP Underwriting*

Date: *1-5-12*

EXHIBIT A

**National Association of Counties
Effective January 1, 2012.**

Subject to the terms and conditions of this Agreement, Program Participants utilizing the Program shall receive from the Participating Pharmacies the discounts set forth below. Customer Specific Programming or additional services not identified herein will be quoted upon Customer request.

Program Participants will receive an average 22% discount on their prescription drug transactions when prescriptions are purchased at a Participating retail pharmacy, a Caremark Mail or a Caremark SpecialtyRx pharmacy as compared to the pharmacy's aggregate usual and customary price (the cash paying customer price). Program Participants will not pay more for a prescription drug transaction by using the Program. There will be prescription drug transactions under this program that will be priced at the pharmacy's usual and customary price when that price is equal to or more favorable to their contractual discount rate with Caremark.

Prices may vary in certain areas for reasons such as local legal requirements, geographic location, specialized manufacturer processes, limited availability, extraordinary shipping requirements or other factors beyond Caremark's control. Participating Pharmacies shall collect from the Program Participant all applicable taxes for covered items, and Caremark is not liable for the payment of applicable taxes. Caremark does not guarantee Participant savings; the estimate set forth above is based upon anticipated pharmacy network performance. All claims may be aggregated for purposes of determining the actual average discount rate. Actual discount rates may vary by drug, Participating Pharmacy, Caremark Mail Pharmacy and Caremark SpecialtyRx Pharmacy. Certain retail, mail, and Specialty claims may be excluded from these rates, including but not limited to Claims for select injectable drugs and select oral drugs that are bio-technical in nature, compound drugs, and those requiring special handling.

**EXHIBIT B
CAREMARKPCS HEALTH, L.L.C.
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.L.C. ("Caremark") and _____ ("Member County"). Reference is hereby made to the Managed Pharmacy Benefit Services Agreement Consumer Card Program dated as of January 1, 2012 (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 ("Services").

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, and Member County hereby agrees to be bound by any such amendment, except with respect to Term. The Term of Services for Member County shall begin on the effective date above and, so long as the Agreement is in effect, shall continue for a period of three years ("Initial Member County Term"). The Term of Service shall thereafter automatically renew, so long as the Agreement is in effect, for successive one-year terms, unless Member County notifies Caremark and Customer of Member County's intent not to renew at least sixty (60) days prior to the end of the Initial Member County Term, or any renewal Term.

Customer shall give Member County reasonable notice prior to the effective date of any non-Term amendment between Customer and Caremark. If such non-Term 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.

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

CAREMARKPCS HEALTH, L.L.C.

By: _____

By: _____

Title: _____

Title: _____

Date: _____

Date: _____

MEMBER COUNTY:

[County Name]

By: _____

Title: _____

Date: _____

RIDER 1

With respect to _____ County's participation in the Consumer Card Program, the Parties intend and agree to revise the terms of the Agreement as follows:

1 The following is added as a new Section 1.8.e of the Agreement:

Marketing Reimbursement Fee. As consideration for the Consumer Card Program information that Member County provides to County residents, Caremark shall pay to Member County a Marketing Reimbursement Fee of one dollar (\$1.00) for each retail Claim processed by Caremark during the term of this Agreement on which a transaction fee is collected by the Participating Pharmacy. If the Member County Agreement is signed by all parties between the first and fifteenth days of the month, then the effective date for the Member County to begin receiving Marketing Reimbursement Fees is the first day of the month following the signing date. If the Member County Agreement is signed by all parties between the sixteenth and last days of any month, then the effective date for the Member County to begin receiving Marketing Reimbursement Fees is no later than the first day of the second month following the signing date. In either instance, the first Marketing Reimbursement Fee payment to Member County is due and payable no later than 60 days following the end of the first calendar quarter following the effective date. Marketing Reimbursement Fee checks shall be accompanied by a summary report prepared by Caremark setting forth the calculation of the Marketing Reimbursement Fees. It is the intention of the Parties that this fee shall constitute and shall be treated by Member County as a fair market value payment for specified marketing services.

Accepted and Agreed:

MEMBER COUNTY:

[County Name]

By: _____

Title: _____

Date: _____

CAREMARKPCS HEALTH, L.L.C.
SECOND AMENDMENT TO
MANAGED PHARMACY BENEFIT SERVICES AGREEMENT
CONSUMER CARD PROGRAM

THIS SECOND AMENDMENT TO AMENDED AND RESTATED AGREEMENT (the "Amendment") is effective beginning November 1, 2014 (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.L.C., ("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.

WHEREAS, the parties entered into the Agreement for the provision of Consumer Card Program services by Caremark to Customer with respect to Customer's Consumer Card plan; and

WHEREAS, the parties desire to amend the Agreement to describe and clarify certain services to be provided by Caremark;

NOW, THEREFORE, for good and valuable consideration the parties agree to amend the Agreement as follows:

1. The term of the Agreement, as amended, shall continue for a successive two (2) year term beginning on November 1, 2016 and expiring on December 31, 2018, subject to remaining provisions of Section 7 of the Agreement.

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: *Matt Chae*
Its: Executive Director
Title: Executive Director
Date: 9-24-14

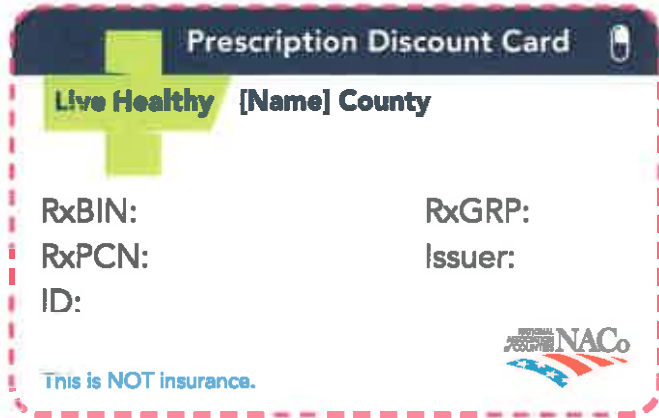
CAREMARKPCS HEALTH, L.L.C.

By: *H. C. [Signature]*
Its: VP Consumer Programs
Title: VP Consumer Programs
Date: 10/22/2014

Live Healthy [Name] County

The exclusive prescription, dental and health discounts program for residents

HERE'S YOUR FREE PRESCRIPTION DISCOUNT CARD:



Start saving with your card today

Save an average of 24%* off the retail price of prescription medicine

- Good at over 68,000 retail pharmacies nationwide
- Discounts are for county residents and their pets

For more information and to find a pharmacy go to www.nacorx.org or call toll-free 1-877-321-2652.

Two more ways to save:

Low-fee Dental Discounts

- Save 15% to 50% at over 110,000 providers nationwide
- Low-fee program provides discounts on check-ups, cleanings, fillings, crowns, x-rays, root canals and more

Low-fee Health Discounts

- Save 15% to 75% at a national network of providers
- Low-fee program provides discounts on vision services, hearing aids and screenings, diabetes supplies, prepaid lab work and more

For Dental and Health discounts information and to enroll go to www.nacohealth.org or call toll-free 1-877-573-2395.

106-9003NC99 050715

Prescription Discount Program

This is NOT insurance. Discounts are only available at participating pharmacies. By using this card, you agree to pay the entire prescription cost less any applicable discount. Savings may vary by drug and by pharmacy. Savings are based on actual 2014 drug purchases for all drug discount card programs administered by CVS/caremark located in Woonsocket, RI. The program administrator may obtain fees or rebates from manufacturers and/or pharmacies based on your prescription drug purchases. These fees or rebates may be retained by the program administrator or shared with you and/or your pharmacy. Prescription claims through this program will not be eligible for reimbursement through Medicaid, Medicare or any other government program. This program does not guarantee the quality of the services or products offered by individual providers. We do not sell your personal information. Call the member toll-free number on the back of your ID card to file a complaint related to this program. Note to Texas Consumers: You may contact the Texas Department of Insurance if you remain dissatisfied after completing this program's complaint process.

MEMBER:

Prescriptions: Call toll-free 1-877-321-2652 or visit us online at www.nacorx.org.

PHARMACIST:

The RxPCN, RxGRP, full ID, and a 01 person code must be submitted online to CVS/caremark™ to process claims for this program. For assistance in processing a claim, please call 1-800-364-6331.

Dental and Health Discount Programs

Disclosures: The discount health, dental, medical, and drug benefits of this Plan (The Plan) are NOT insurance, a health insurance policy, a Medicare Prescription Drug Plan or qualified health plan under the Affordable Care Act. The Plan provides discounts for certain medical and dental services, pharmaceutical supplies, prescription drugs or medical equipment and supplies offered by providers who have agreed to participate in The Plan. The range of discounts for medical, pharmacy or ancillary services offered under The Plan will vary depending on the type of provider and products or services received. The Plan does not make and is prohibited from making members' payments to providers for products or services received under The Plan. The Plan member is required and obligated to pay for all discounted prescription drugs, medical and pharmaceutical supplies, services and equipment received under The Plan, but will receive a discount on certain identified medical, pharmaceutical supplies, prescription drugs, medical equipment and supplies from providers in The Plan. The Discount Medical Plan Organization is Alliance HealthCard of Florida, Inc., P.O. Box 630858, Irving, TX, 75063. You may call toll free at 1-877-573-2395 for more information or visit www.NACoHealth.org for a list of providers. The Plan will make available before purchase and upon request, a list of program providers and the providers' city, state and specialty, located in the member's service area. The fees for The Plan are specified in the membership agreement. The Plan includes a 30-day cancellation provision. Note to MA consumers: The plan is not insurance coverage and does not meet the minimum creditable coverage requirements under M.G.L.c.111M and 956 CMR 5.00. *Savings may vary by drug and by pharmacy.

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Live Healthy U.S. Counties

The exclusive prescription, dental and health discounts program **free** to NACo member counties



Live Healthy – the discount program that puts wellness and people first

Going the extra mile for your county's residents is what this program is all about. It can help people live healthier lives and save them some money, too. And who doesn't like to save money?

The National Association of Counties' (NACo) Live Healthy program offers residents discounts on prescriptions, dental treatments and health costs—including vision procedures, hearing aids and screenings, prepaid lab work, diabetes supplies plus a whole lot more. Best of all, it's **free** for your county if you're a NACo member.

To get up and running costs you nothing but a bit of your time. If your county isn't a NACo member, now might be a good time to join. Let's all Live Healthy!

The Live Healthy discount program is NOT insurance.



Here's how it works:

It's all about the savings. Live Healthy provides county residents with access to prescription, dental and health discounts. It's that simple.

Participating counties must be a part of the prescription component of the program in order to offer either health or dental, or both to residents. Depending on what their county offers, people can choose to participate in all three, or two, or just one.

As you can see in the chart below, residents receive prescription discounts for free. Health and dental discounts come with a modest fee and people can pay either a monthly or annual amount to obtain discounts and savings.



To learn more, go to www.naco.org/health, or call toll-free at **1-888-407-6226**.

NACo Live Healthy Prescription, Health and Dental Discount Resident Fees

Program	Monthly Individual	Monthly Family	Annual Individual	Annual Family
Prescription	Free	Free	Free	Free
Health	\$6.95	\$8.95	\$69.00	\$79.00
Dental	\$6.95	\$8.95	\$69.00	\$79.00
Health + Dental	\$13.90	\$17.90	\$138.00	\$158.00



NACo prescription discounts help residents who don't have insurance to save on their prescription purchases. Residents who do have insurance can also use the discount card when their medications are not covered by their insurance plan.

Residents Save an average of 24% off the retail price of prescription medications.

Provider Network: more than 68,000 participating retail pharmacies nationwide, including the major chains and many independent pharmacies. Available for residents and their pets.



NACo dental discounts* offer residents discounted rates on a wide range of dental procedures and services.

ROUTINE AND IN-DEPTH CHECK-UPS

CHILD AND ADULT TEETH CLEANINGS

BITEWING AND FULL MOUTH X-RAYS AND PANORAMIC FILMS

COMPOSITE FILLINGS (WHITE), ROOT CANALS, SIMPLE EXTRACTIONS, FULL UPPER DENTURES

Residents Save: 15% to 50% off most dental procedures. Pay entire discounted rate directly to participating dentist at the time of the service. No deductibles. **No benefit maximums.**



Provider Network: 110,00 general dentists and specialists. No referrals necessary for specialty dental care discounts. Immediate access to dental providers, no waiting periods or claim forms. No exclusions for pre-existing conditions or age limits.

* Not available in AK, VT or WA



NACo health discounts* are an affordable choice for county residents who want to save on a wide range of services, supplies and more.

Your residents will be able to Live Healthy and save every day.



VISION

Residents Save: 35% off the retail price of frames with the purchase of a complete pair of glasses. Discounts on other products and services include exams, lenses, accessories, contact lenses and more.

Provider Network: access to over 50,000 providers including LensCrafters®, Pearle Vision®, Nationwide Vision™, Target Optical®, and independent optometrists, ophthalmologists and opticians.

HEARING

Residents Save: 35% off the price of hearing aids and complimentary screenings.

Provider Network: more than 2,500 participating locations.

DIABETES SUPPLIES

Residents Save: with discounts offered on prescription and OTC diabetes supplies.

Provider Network: more than 68,000 participating retail pharmacies. Available for residents and their pets.

PREPAID LAB

Residents Save: 20 to 70% off a wide variety of physician approved lab-testing services, with confidential results.

Provider Network: more than 4,000 participating service centers.

PREPAID DIAGNOSTIC IMAGING

Residents Save: 40 to 75% off MRI and CT scans.

Provider Network: more than 2,900 radiology centers nationwide.

LASIK & PRK VISION

Residents Save: 15% off retail prices or 5% off promotional pricing.

Provider Network: more than 550 participating locations.

* Not available in AK, VT or WA

Two easy ways to get started

Join the NACo Live Healthy program either by emailing or mailing the registration information. Once you do, we'll send you customized materials to promote Live Healthy in your county.

1. Download the Live Healthy program(s) registration form at www.naco.org/health

Complete the information then email it to membership@naco.org

2. Or mail it to the following address:
Andrew S. Goldschmidt, CAE
Director of Membership Marketing
National Association of Counties
25 Massachusetts Ave. NW, Ste. 500
Washington, DC 20001

One more thing...

We will need your county's logo/seal to customize your Live Healthy materials.

Then you'll be able to share this exclusive discount program with your residents.

A jpg file of your county logo is necessary to complete your registration.

Send an e-mail with the jpg file as an attachment to NACoRx@caremark.com. Indicate the county name and logo attached in the subject line.

The email should also include:

- A contact/name and street address for the delivery of member ID cards and display materials if it differs from the address on the registration form.
(Please note we cannot deliver to P.O. boxes.)
- A description of how the county name should appear/read on the member ID card.



NACo
25 Massachusetts Ave, NW
Suite #500
Washington, DC 20001
888-407-NACo (6226)
membership@naco.org

Regional approach seen as vital to dealing with water issues



Aurora Mayor Tom Weisner discusses regional water issues during a forum in Aurora Thursday. (Linda Girardi / The Beacon-News)

By **Linda Girardi**
Aurora Beacon-News

MAY 12, 2016, 4:58 PM

The growing need for water has taken its toll on resources across northeastern Illinois, Aurora Mayor Tom Weisner said Thursday.

"We need only look at our own region to see that," he told an audience of several hundred people gathered for a regional forum on water issues at Two Brothers Roundhouse in Aurora. The event was organized by the Metropolitan Planning Council and Northwester Water Planning Alliance.

Projections from experts are that the area's deep water aquifers could be depleted in the next 15 years. Other issues such as surface water contamination associated with drawing water from the Fox River and aging infrastructure for water delivery are of concern as well, he said.

The forum focused on the need for a regional approach to projected groundwater deficiencies and long-term solutions to discover sustainable water supplies.

Weisner said the era where municipal water supplies "seemed limitless, almost effortless and cheap is over."

He said while the region may not grow as quickly as originally forecast prior to the 2008 recession, communities will still gain population, which will add further stress to the area's deep water aquifers that are already being "rapidly depleted."

Weisner said the deep aquifers are important because they are the best defense against future droughts.

He also spoke about surface water contamination, an issue of particular concern for Aurora and Elgin, which draw some of their municipal water supply from the Fox River. He said there are also issues associated with aging infrastructure when it comes to water delivery. Weisner said municipal leaders need to ask whether communities can afford to fix these problems given what they charge for water.

"All of the communities represented in this room are both independent and interdependent when it comes to water. You may produce your own water but how you go about that will most likely impact others. Water problems may seem local, but consequences are not," the mayor said.

Water levels in regional aquifers have declined from 1860 to the present. Projections by the Illinois State Water Survey project that water levels will continue to decline and that portions of area aquifers will be dry if current water use continues.

Walt Kelly oversees a team of scientists from the Illinois State Water Survey.

"The water levels have been dropping fairly rapidly," Kelly said, adding municipalities and villages will have to look for alternate sources of water.

Kelly said private wells are already going dry and municipal wells continually have to be lowered.

"Eventually we will reach a point where the aquifers will be dewatered or dried out. The recharge is too slow to replace the water we are removing," he said. "We project in 15 years we can see some impact."

There is some good news, though, he said.

"We are a water rich state and we do have options," he said.

Kelly said the depletion of the aquifers is a problem that has developed over time. He said it needs a regional solution with communities banding together to solve the problem.

Kelly said problems were already being seen in the 1950s and 1960s, but when Cook and DuPage counties switched to Lake Michigan water in the 1980s it helped ease the situation for a while.

"There are some different ground water options that are possible and surface water options using the Fox River and Lake Michigan water. All of these will cost money," he said.

Kelly said there are issues inherit with the treatment of surface water as opposed to using water from the aquifers.

"Treatment is more difficult because the water is always changing, requiring municipalities to closely monitor water quality more closely, then you have to tend with the river freezing and algae growth," he said.

Kyla Jacobsen, utility director for the city of Elgin, said the general public is particularly attentive to their water given what happened in Flint, Michigan, where high levels of lead were found in the water.

"There is a large cost that goes into producing water and we do lose a lot due to aging infrastructure," Jacobsen said. "I am not making a blank statement that what happened in Flint would happen here...however people are now paying attention to the quality of their water. This is a wake-up call ... you don't get quality water and infrastructure for free. Putting your head in the sand and thinking (water) rates don't have to follow is short-sighted. This is an opportunity for municipalities to get people to understand the value of investing in their water systems."

Oswego, Yorkville and Montgomery are currently studying the feasibility of building a regional water treatment plant and using the Fox River as a possible water source. Findings of a study will be released to city officials next week in Montgomery and Yorkville and in June in Oswego.

Montgomery administrator Jeff Zoepfel said their water system master plan includes looking at long-term sustainable water resources for residents.

"We looked at doing it ourselves but it makes more sense with the economies of scale to take a regional approach," Zoepfel said. "As we look at it, it would be a 10-year process."

Yorkville Alderman Joel Frieders said city leaders have a few options in front of them concerning the water supply.

"If we don't start thinking about alternative sources of drinking water we are going to have other issues," Frieders said.

Linda Girardi is a freelance reporter for The Beacon-News

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