

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

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

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

1. STATEMENT OF SERVICES / OBLIGATIONS.

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

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

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

1.5 Claims Processing.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

2. FEES AND PAYMENT.

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

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

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

3. CUSTOMER AND MEMBER COUNTY OBLIGATIONS.

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

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

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

4. USE OF AND ACCESS TO INFORMATION.

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

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

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

5. CONFIDENTIALITY AND INTELLECTUAL PROPERTY.

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

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

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

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

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

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

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

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

6. LIMITATION OF LIABILITY; COMPLIANCE WITH LAW.

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

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

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

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

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

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

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

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

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

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

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

7. TERM AND TERMINATION OF AGREEMENT.

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

7.2 Termination. This Agreement may be terminated as follows:

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

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

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

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

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

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

7.3 Effect of Termination and Survival.

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

8. NOTICES.

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

Notices to Caremark must be addressed as follows:

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

With a copy to:

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

Notices to Customer must be addressed as follows:

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

9. MISCELLANEOUS.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

d. “Covered Items” mean the prescription drug benefits for which Participants are eligible pursuant to Member County’s drug benefit plan.

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

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

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

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

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

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

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

NATIONAL ASSOCIATION OF COUNTIES

CAREMARKPCS HEALTH, L.P.

**By: CaremarkPCS Health Systems, LLC,
its General Partner**

By: _____
Larry E. Naake

Title: Executive Director

Title: _____

Date: _____

Date: _____

EXHIBIT A
ADDITIONAL SERVICES

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

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

**National Association of Counties
Effective March 1, 2006**

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

Administrative Fees

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

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

Consumer Card Program Retail Network Rates¹

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

Mail Service Rates¹

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

Specialty Pharmacy Rates²

AWP-13% + \$3.50 dispensing fee

Other Fees

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

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

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

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

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

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

EXHIBIT B
ADMINISTRATIVE FEES

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

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

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

This Managed Pharmacy Benefit Services Agreement for Member County effective February 11, 2008 is entered into by and between CaremarkPCS Health, L.P. ("Caremark") and Nassau County Board of County Commissioners, Nassau County, Florida ("Member County"). Reference is hereby made to the Managed Pharmacy Benefit Services Agreement Consumer Card Program dated as of March 1, 2006 (the "Agreement") among National Association of Counties ("Customer"), Member County, and Caremark under which Customer has engaged Caremark to provide services to prescription drug plans for Customer and its Member Counties.

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

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

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

NATIONAL ASSOCIATION OF COUNTIES

By: [Signature]
Title: E.D.
Date: 3-10-08

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

MEMBER COUNTY:

Nassau County, FL
[County Name]
By: [Signature]
Title: Chair
Date: 2-11-08

By: [Signature]
Title: VP Consumer Programs
Date: 3/24/08

ATTEST TO CHAIR'S SIGNATURE:

[Signature]
JOHN A. CRAWFORD, EX-OFFICIO CLERK

APPROVED AS TO FORM:

[Signature]
DAVID A. HALLMAN, COUNTY ATTORNEY

REMOVED ON 02/24/2006
CHIEF DEPUTY COUNTY CLERK

[Signature] 2/11/08

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

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

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

1. STATEMENT OF SERVICES / OBLIGATIONS.

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

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

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

1.4 **Claims Processing.**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

2. FEES AND PAYMENT.

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

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

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

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

3. CUSTOMER AND MEMBER COUNTY OBLIGATIONS.

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

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

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

4. USE OF AND ACCESS TO INFORMATION.

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

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

5. **CONFIDENTIALITY AND INTELLECTUAL PROPERTY.**

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

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

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

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

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

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

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

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

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

6. LIMITATION OF LIABILITY; COMPLIANCE WITH LAW.

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

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

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

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

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

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

Effective as of September 8, 2005, each party certifies that it shall not violate the federal anti-kickback statute, set forth at 42 U.S.C. § 1320a-7b(b) ("Anti-Kickback Statute"), or the federal "Stark Law," set forth at 42 U.S.C. § 1395nn ("Stark Law"), with respect to the performance of its obligations under this Agreement. Further, Caremark shall ensure that individuals meeting the definition of "Covered Persons" (as such term is defined in the Corporate Integrity Agreement between the Office of Inspector General of the Department of Health and Human Services and AdvancePCS) shall comply with Caremark's Compliance Program, including training related to the Anti-Kickback Statute and the Stark Law. In addition, Caremark's Code of Conduct and policies and procedures on the Anti-Kickback Statute and Stark Law may be accessed at <http://www.caremark.com/wps.portal/s.155.3370?cms=CMS-2-007764>.

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

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

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

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

7. TERM AND TERMINATION OF AGREEMENT.

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

7.2 Termination. This Agreement may be terminated as follows:

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

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

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

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

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

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

7.3 Effect of Termination and Survival.

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

8. NOTICES.

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

Notices to Caremark must be addressed as follows:

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

With a copy to:

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

Notices to Customer must be addressed as follows:

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

9. MISCELLANEOUS.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

NATIONAL ASSOCIATION OF COUNTIES

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

By: - Signature on File - _____
Larry E. Naake _____

- Signature on File - _____

Title: Executive Director _____

Title: _____

Date: _____

Date: _____

*EXHIBIT D
REDACTED CONTRACT*

*EXHIBIT A
ADDITIONAL SERVICES*

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

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

EXHIBIT D
REDACTED CONTRACT

EXHIBIT B
FEES

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

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

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

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

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

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

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

NATIONAL ASSOCIATION OF COUNTIES

By: _____
Signature on File
Title: _____
Date: _____

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

MEMBER COUNTY:

[County Name]
By: _____
Signature on File
Title: _____
Date: _____

By: _____
Signature on File
Title: _____
Date: _____



About NACo

- Affiliates
- Annual Report
- Board of Directors
- Bylaws
- Committees and Caucuses
- Corporate Structure
- Departments
- Employment
- Membership
 - County Membership
 - Corporate Membership Program
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NACo Prescription Drug Discount Card Program Participating Counties

The list of counties participating in the NACo Prescription Drug Discount Card Program is updated weekly as new counties are joining on a continuous basis.

Select a state from the drop down list below to view a list of participating counties within that state.

Participating Counties in Florida

- [Alachua County](#)
- [Bay County](#)
- [Bradford County](#)
- [Broward County](#)
- [Citrus County](#)
- [Columbia County](#)
- [Dixie County](#)
- [Flagler County](#)
- [Franklin County](#)
- [Gadsden County](#)
- [Gilchrist County](#)
- [Gulf County](#)
- [Henry County](#)
- [Hernando County](#)
- [Holmes County](#)
- [Jackson County](#)
- [Lafayette County](#)
- [Lake County](#)
- [Lee County](#)
- [Leon County](#)
- [Levy County](#)
- [Marion County](#)
- [Monroe County](#)
- [Palm Beach County](#)
- [Pasco County](#)
- [Putnam County](#)
- [St. Lucie County](#)
- [Sumter County](#)
- [Suwannee County](#)
- [Washington County](#)

Counties must be a NACo member to participate!

For questions or to enroll in the program, please contact Andrew Goldschmidt, Director, Membership/Marketing at (202) 942-4221 or agoldschmidt@naco.org.

Prescription Drug Card Program

About Counties | **About NACo** | Conferences & Events
 Issues & Interest Areas | County Resource Center | News Room
 Site Map | Contact Us

NATIONAL ASSOCIATION OF COUNTIES - 25 MASSACHUSETTS AVE. NW - WASHINGTON, D.C. 20001 - TELEPHONE: (202)393-6226

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Participating Pharmacies in Florida

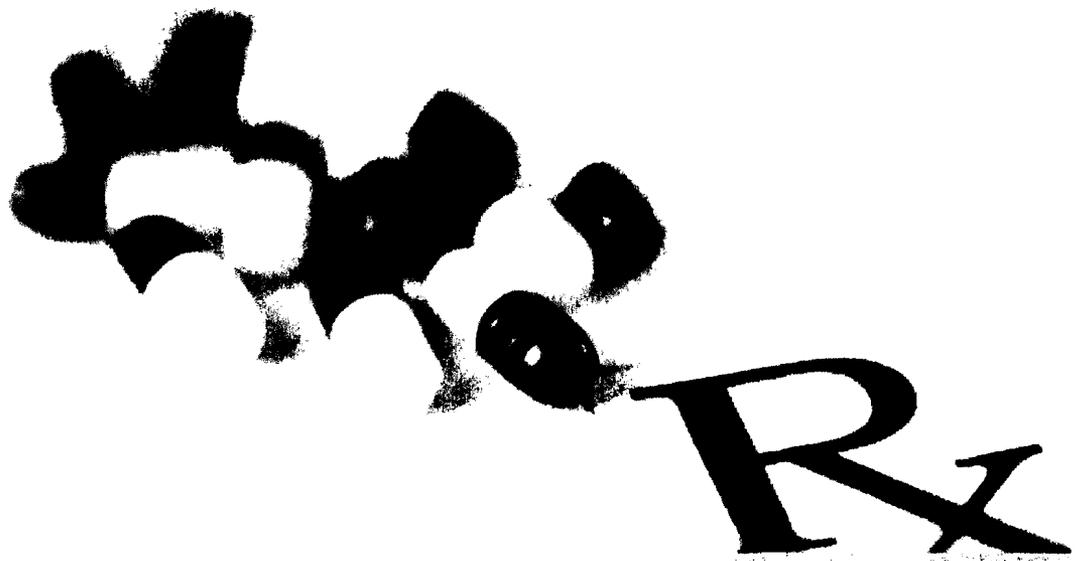
Select a county to view a listing of participating pharmacies for that county.

Select a County

County	Pharmacy
NASSAU, FL	CVS PHARMACY 870 SADLER RD FERNANDINA BEACH, FL 32034-4752 Phone: (904) 261-0836
NASSAU, FL	CVS PHARMACY 542325 US HIGHWAY 1 CALLAHAN, FL 32011-6496 Phone: (904) 879-4233
NASSAU, FL	HILLIARD PHARMACY INC 541661 US HIGHWAY 1 HILLIARD, FL 32046-6819 Phone: (904) 845-3371
NASSAU, FL	KAMALASANI PANCHAMIRTHAM 1847 SW BARRETT WAY LAKE CITY, FL 32035 Phone: (386) 755-2240
NASSAU, FL	KMART PHARMACY 1525 SADLER RD FERNANDINA BEACH, FL 32034-4467 Phone: (904) 261-2663
NASSAU, FL	MARIA D SMITH 1847 SW BARRETT WAY LAKE CITY, FL 32035 Phone: (386) 755-2240
NASSAU, FL	PAULINO MILLA-ORELLANA 1847 SW BARRETT WAY LAKE CITY, FL 32035 Phone: (386) 755-2240
NASSAU, FL	PUBLIX PHARMACY 1421 SADLER RD FERNANDINA BEACH, FL 32034-4466 Phone: (904) 277-4944
NASSAU, FL	STEGER DRUG COMPANY 1250 S 18TH ST STE G FERNANDINA BEACH, FL 32034-1902 Phone: (904) 261-3251
NASSAU, FL	TARGET PHARMACY 463737 STATE RD 200 YULEE, FL 32097 Phone: (904) 548-1241
NASSAU, FL	WAAS DRUG STORE INC 1551 S 14TH ST

- NASSAU, FL
FERNANDINA BEACH, FL 32034-1930
Phone: (904) 261-3171
WALGREENS
2101 SADLER RD
FERNANDINA BEACH, FL 32034-4452
Phone: (904) 277-9615
- NASSAU, FL
WAL-MART PHARMACY
3430 E STATE ROAD 200
YULEE, FL 32097-3660
Phone: (904) 261-9846
- NASSAU, FL
WAL-MART PHARMACY
1757 S 14TH ST
FERNANDINA BEACH, FL 32034-4415
Phone: (904) 261-5522
- NASSAU, FL
WINN-DIXIE PHARMACY
1722 S 8TH ST
FERNANDINA BEACH, FL 32034-1903
Phone: (904) 277-6664
- NASSAU, FL
WINN-DIXIE PHARMACY
22 LOFTON SQUARE BLVD
YULEE, FL 32097-3640
Phone: (904) 261-6500
- NASSAU, FL
WINN-DIXIE PHARMACY
1780 S KINGS RD
HILLIARD, FL 32046-7021
Phone: (904) 845-7199

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NACO *National Association of Counties*
The Voice of America's Counties

NACo Prescription Drug Discount Card Program



About NACo – The Voice of America's Counties

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



NACo PRESCRIPTION DISCOUNT CARD PROGRAM FACT SHEET

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

Frequently Asked Questions (FAQ)

General Questions

How much does the plan cost?

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

Does everyone in my family need an individual card?

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

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

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

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

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

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

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

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

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

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

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

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

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

Can I still use my prescription discount card if I sign up for a Medicare prescription plan?

Yes, you can use your prescription discount card anytime you need to purchase a prescription that is not covered by your Medicare prescription plan or any other insurance.

Should I use my prescription discount card during my deductible and coverage gap periods of coverage for covered medications?

No. Only use your prescription discount card to purchase non-covered medications.

Can I use my prescription discount card in addition to my Medicare prescription plan and get additional discounts?

No. You need to present either your Medicare prescription plan card or your prescription discount card. Only use your prescription discount card when purchasing medications not covered by your Medicare prescription plan.

I'm not going to sign-up for a Medicare prescription plan; can I still use my prescription discount card?

Yes, you can continue to use your prescription discount card just as you do today.

Pharmacy and Pricing Questions

Which pharmacies accept the card?

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

How much will I save?

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

Will I always receive the lowest price?

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

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

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

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

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

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

NACo Prescription Discount Card

Because a pharmacy's retail price or usual and customary charge can differ greatly by pharmacy, your exact percentage of savings may vary depending on the prescription drug and the price you have paid before.

Do I have to choose between my prescription discount card and the Wal-Mart \$4 generic option?

No, always present your prescription discount card at a participating pharmacy, including Wal-Mart, so you will receive the lowest price available from the pharmacy for that prescription medicine on that day. You will receive the \$4 price at Wal-Mart, when applicable, and the prescription discount card discounted price when it is lower.

Should I still present my prescription discount card at Wal-Mart when buying a \$4 generic?

Yes, always present your prescription discount card when buying prescriptions not covered by a prescription drug benefit plan. For generic medicine on the Wal-Mart list, you will pay either \$4 or the prescription discount card price, whichever is lower.

Can I get an additional discount off the Wal-Mart Generic Drug Program – \$4 for select generics – if I show my prescription discount card?

No, when presenting your prescription discount card, you will receive either the pharmacy's regular price for the prescription medicine or the prescription discount card discounted price, whichever is lower. If Wal-Mart's \$4 price for select generics is lower than the prescription discount card price, you will pay \$4. With the prescription discount card, you will receive the best price available for your prescription medicine on that day from that pharmacy.

About Specialty Pharmacy

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

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

What drugs are offered through specialty pharmacy?

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

About the Caremark Mail Service Program

What is Mail Service?

With the **Caremark Mail Service** program, you can purchase up to a 90-day supply of select medications from the mail service pharmacy for a fixed price. It's easy to get started with mail

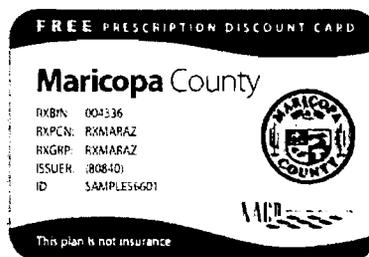
NACo Prescription Discount Card

service—just send in the mail service order form along with your original prescription, to Caremark. For a list of medications available through and to receive an order form please call toll free 1-877-321-2652 or visit www.caremark.com/naco.

NACo PRESCRIPTION DISCOUNT CARD

National Association of Counties

Marketing Strategies & Guidelines



NACO PRESCRIPTION DISCOUNT CARD

Marketing Strategies & Guidelines

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NACo Prescription Discount Card Overview

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

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

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

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

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

General Marketing Guidelines

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

NACo Contact:

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

Caremark Contact:

Ralph Frissore, Account Advocate
Phone: 888-727-5579 ext
E-mail: Ralph.Frissore@caremark.com

Program Name

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

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

Program Statistics

Savings

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

- Average savings of 20 percent compared to regular retail prices.
- Average savings of 14 percent off brand name medicine and an average savings of 31 percent off generic medicine compared to regular retail prices.
- Average savings of 20 percent and an average savings of 50 percent on select generics through mail service.

MARKETING STRATEGIES AND GUIDELINES

Participating Retail Pharmacies

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

- More than 57,000 participating retail pharmacies nationwide.
- Nine out of 10 retail pharmacies participate in the program.

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

Legal Disclaimers

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

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

Promotional Strategies

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

Public Relations

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

- Press Kit:
 - Best Practices for working with the media
 - Press Releases – three pre-approved press releases are included in the marketing kit. One is written to support the pre-launch activities of the county. The second will support the launch of the program and the third is written to gain exposure once the program is up and running for awhile. Please submit any original press releases to NACo and Caremark for approvals prior to release.

MARKETING STRATEGIES AND GUIDELINES

- NACo Prescription Discount Card Fact Sheet
- Press Conferences – a Frequently Asked Questions (FAQ) section is included at the end of this document to assist you with handling questions from the media.
- Photo Opportunities/Events – in conjunction with the launch of the program, a county could organize an event at a local pharmacy, inviting the local press and others to be present when the new discount card is used in the county for the first time. A list of local independent pharmacies can be provided to assist you in coordinating such an event.
- Press Kits – all press kit contents that are not part of the marketing kit must be submitted to NACo and Caremark for approval prior to distribution.

Community Services

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

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

County Web Site

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

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

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

County Events

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

Direct Mail

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

The ID card/brochure provided to the county is designed to fit easily into many envelop sizes and weights little so that it doesn't add to postage. Counties successfully launching the program have included the ID card/brochure in standard county communications to residents; such as, property tax statements, community newsletters, and county recorder communications.

Please submit all other materials to NACo and Caremark for approval prior to printing and mailing.

Radio/TV

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

Promotional Materials

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

Promotional Poster

Included in the marketing kit is an 11X17 promotional poster. The posters are customized similarly to the ID card/brochure for your county and can be posted within the community to raise awareness of the program. Any changes must be submitted to NACo and Caremark for approvals prior to use.

Point-of-Purchase (POP) Displays

Also included in the marketing kit supplied by Caremark are point-of-purchase (POP) displays to hold the ID card/brochure at distribution locations.

Program Participant Copy

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

Web Site Banner Ads

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

Distribution Channels

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

The Uninsured Market

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

Uninsured individuals may be:

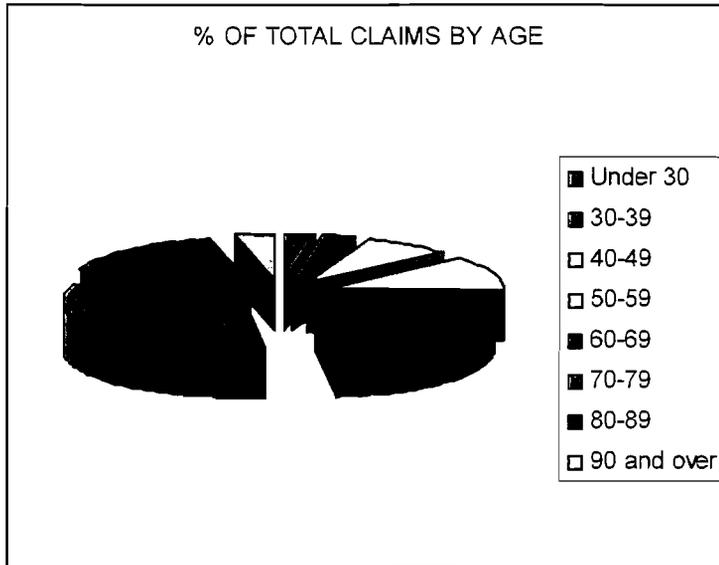
- Unemployed
- Part-time employee
- Low wage earner
- Small business owner or employee
- Self employed

- Retired
- Senior Citizen
- Medicare beneficiary

Demographics

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

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



Caremark Data

The Underinsured Market

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

Examples of Distribution Channels

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

- County buildings
- Libraries
- Court House
- Social Service Agency
- County Outreach
- Community services
- Physicians
- Pharmacies
- Senior centers
- Hospitals
- Clinics
- Churches/Synagogues, etc.
- Health fairs
- County Fairs
- Major athletic events (Marathons, etc.)
- Health Associations (local Heart Associations, etc.)
- Employment fairs



NEWS RELEASE

25 Massachusetts Avenue, NW Washington, DC 20001 www.naco.org

FOR IMMEDIATE RELEASE

Contact: [County PIO or spokesperson]

[Insert Date]

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

Discount Cards Will Offer Average Savings Of 20 Percent Off Retail Price

[DATELINE] — [County Name] will soon be introducing a discount card program to help consumers cope with the high price of prescription drugs. The county has signed a contract to make free prescription drug discount cards available under a program sponsored by the National Association of Counties (NACo) that offers average savings of 20 percent off the retail price of commonly prescribed drugs.

The cards, which will be available [insert expected time frame], may be used by all county residents, regardless of age, income, or existing health coverage. An estimated [xx] percent of the county's pharmacies will accept the NACo card, and a national network of more than 57,000 participating retail pharmacies also will honor it.

"The NACo prescription discount card will offer significant savings for the uninsured and underinsured residents of our county, and even those fortunate to have prescription coverage may use the card to save money on drugs that are not covered by their health plan," said [County Spokesperson]. "Residents do not have to be Medicare beneficiaries to be eligible for this program."

There will be no cost to county taxpayers for NACo and [name of county] to make these money-saving cards available to residents. A future announcement will specify how and when residents may obtain the cards.

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

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

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

www.naco.org.

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NEWS RELEASE

25 Massachusetts Avenue, NW Washington, DC 20001 www.naco.org

FOR IMMEDIATE RELEASE
[Month] XX, 200x

Contact: [County PIO or spokesperson]

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

Discount Cards Offering Average Savings Of 20 Percent Off Retail Price

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

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

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

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

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

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

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

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NEWS RELEASE

25 Massachusetts Avenue, NW Washington, DC 20001 www.naco.org

FOR IMMEDIATE RELEASE
[Insert Date]

Contact: [County PIO or spokesperson]

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

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

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

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

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

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

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

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

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

The program is administered by Caremark Rx, Inc.

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

For more information about NACo, visit www.naco.org.

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NACo news releases
Alternate quotes
DRAFT

Release 1

Paragraph 3

- A. "County residents who have prescription coverage also can save money by using the card for drugs that their health plan doesn't cover," said [County spokesperson]. "But this program is really beneficial for people who are underinsured or uninsured, and they do not have to be in the Medicare program to participate."
- B. "Every cardholder has the opportunity to use the card, including people with insurance coverage that might exclude certain drugs," said [County spokesperson]. "Residents can use the card regardless of whether they are in the Medicare program, and the underinsured or uninsured can realize significant savings."

Paragraph 5

- A. "Presenting the NACo discount card at a participating pharmacy is easy because there is no enrollment form, no membership fee and no restriction on frequency of use," said [County spokesperson]. "Cardholders and their family members can all use the card, and it may be presented whenever their prescriptions are not covered by insurance."
- B. The NACo discount card can be used by any family members of the cardholder, and participating pharmacies will honor it any time drugs are not covered by insurance," said [County spokesperson]. "It's easy to present the card, which has no limits on how often it may be used, and there is no membership fee or enrollment form."

Release 2

Paragraph 3

- A. "The NACo prescription discount card offers significant savings for both uninsured and underinsured residents of the county, and residents do not have to be Medicare beneficiaries to use the card," said [County spokesperson]. "Even residents who have insurance coverage can use the card when their plan does not cover a particular drug."
- B. "Hundreds of counties across the nation are participating in the NACo program, and we are proud to join them because of the significant savings that can be realized by uninsured and underinsured residents," said [County spokesperson]. "Medicare beneficiaries can use the card, and so can insured people, in cases where a prescription drug is not covered."

Paragraph 6

- A. "There are no enrollment forms, restrictions, fees or use limits with the NACo discount card, which makes it very easy for our residents," said [County spokesperson]. "A cardholder simply presents the card at a participating pharmacy any time that a prescription is not covered by insurance."
- B. "Cardholders and their family members can use the card when their prescription drug is not covered by insurance," said [County Spokesperson]. "It is easy to use because there is no enrollment fee, no restrictions or use limits, and no fees. You simply present the card at a participating pharmacy."

Release 3

Paragraph 7

- A. "Presenting the NACo discount card at a participating pharmacy is easy," said [County spokesperson]. "Cardholders don't have to worry about an enrollment form, membership fee or frequency-of-use restrictions. In addition, all of a cardholder's family members can use the same card, and it may be presented whenever their prescriptions are not covered by insurance."
- B. "NACo has made the prescription discount card program easy to use at any participating pharmacy," said [County spokesperson]. "For example, there are no membership fees, enrollment forms or use restrictions. Every family member can use the card, and it can offer savings when their prescriptions are not covered by insurance."

Introducing the [insert county name] Prescription Discount Card

FREE to County Residents!

Americans are paying more for prescription drugs than ever before. Without prescription coverage, staying healthy can come at a high price. With the [insert county name] Prescription Discount Card, free to county residents, you can save money on many of your prescription purchases!

Any county resident without prescription coverage can use this program. Even if you have insurance for prescription drugs, you may still benefit from the discount card, since it may save you money on prescription drugs your existing plan does not cover.

Everyone is eligible!

- No income requirements
- No age requirements
- Unlimited use for the whole family

The [insert county name] Prescription Discount Card is:

- **Valuable.** Save an average of 20% off the pharmacy's regular price on all commonly prescribed prescriptions and an average savings of 50% on 3-month supplies of select generics through mail service. Savings are also available on high-tech and injectable drugs through our specialty pharmacy.
- **Easy.** There are no claim forms to fill out and no annual fee to pay.
- **Convenient.** Over 57,000 participating retail pharmacies nationwide, [insert county participating pharmacy count] are right here in the county!

For more information, including card pick-up locations, call toll free 1-877-321-2652 or visit <http://www.caremark.com/naco>.

Pick up your card and start saving today!

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

Pa. Dispensing Retail Pharmacies

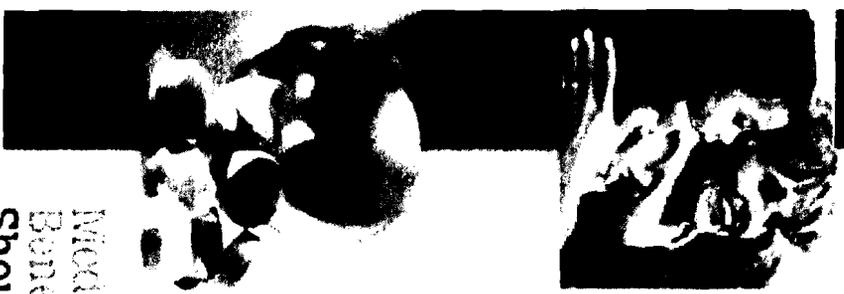
Pharmacies that are not currently participating in the program may wish to contact the Pennsylvania Department of Health, Bureau of Professional Regulation, at 787 North Second Street, Harrisburg, PA 17102, or call (717) 781-2000 for more information. The program is available to all Pennsylvania residents who are currently enrolled in a Medicare Part D plan. The program is available to all Pennsylvania residents who are currently enrolled in a Medicare Part D plan. The program is available to all Pennsylvania residents who are currently enrolled in a Medicare Part D plan.

Pharmacies that are not currently participating in the program may wish to contact the Pennsylvania Department of Health, Bureau of Professional Regulation, at 787 North Second Street, Harrisburg, PA 17102, or call (717) 781-2000 for more information. The program is available to all Pennsylvania residents who are currently enrolled in a Medicare Part D plan. The program is available to all Pennsylvania residents who are currently enrolled in a Medicare Part D plan. The program is available to all Pennsylvania residents who are currently enrolled in a Medicare Part D plan.

No. 02-07

CAREMARK

www.caremark.com



Medicare
Beneficiaries
Should Still
Have a Drug
Discount Card

CAREMARK

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

As a Medicare beneficiary, you may be eligible for a Medicare prescription drug plan. But you may not know what to do if you have a Medicare prescription drug plan. You may not know if you're getting the best deal. You may not know if you're getting the best deal for all of your prescription drugs. You may not know if you're getting the best deal for all of your prescription drugs.

There are a few things you can do to make sure you're getting the best deal. First, you should compare the prices of your prescription drugs at different pharmacies. You should also compare the prices of your prescription drugs at different pharmacies. You should also compare the prices of your prescription drugs at different pharmacies.



Here's how the Medicare prescription drug coverage works:

For \$22 a month...	You pay	Prescription Drug Plan pays
From \$265 of annual drug costs	0%	100%
\$265 - \$2,400 of annual drug costs	25%	75%
\$2,401 - \$5,950 of annual drug costs	40%	60%
\$5,951 and up	55%	45%

Here's how that would work:

If you're in the \$22 monthly program, for the amount over the \$2,400 threshold, you'll pay 40% of the total. The total cost would be \$2,400 plus 40% of the amount over \$2,400. So if your annual drug costs are \$5,000, you would pay \$2,400 plus 40% of \$2,600, or \$3,040. The Medicare prescription drug plan would pay \$1,960.

If you're in the \$22 monthly program, you could also save money by waiting until you spend at least \$200 per year for your prescription drugs. You can use a prescription drug discount card to save on many of your drug costs, whether you decide to enroll in a Medicare prescription drug plan or not.

***Note:** The \$22 monthly program is only available to Medicare beneficiaries who live in a state that has a Medicare prescription drug plan. For more information, visit www.medicare.gov.

A drug discount card may be right for you.

Even if you don't spend \$200 per year on your prescription drugs, you can still save money. You can use a drug discount card to save on many of your drug costs. You can use a drug discount card to save on many of your drug costs.

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

And if you're already enrolled in a Medicare prescription drug plan, you can still save money. You can use a drug discount card to save on many of your drug costs. You can use a drug discount card to save on many of your drug costs.

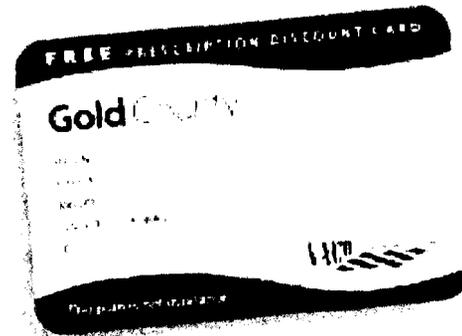
So, why spend more than you need to?

1. You can use a drug discount card to save on many of your drug costs. You can use a drug discount card to save on many of your drug costs.

2. You can use a drug discount card to save on many of your drug costs. You can use a drug discount card to save on many of your drug costs.

Spend less on your prescriptions

Introducing the **FREE** **Gold County** Prescription Discount Card



FREE enrollment for residents

Average savings of 20%!

- ▶ No limits
- ▶ No age requirements – you do NOT need to be a Med care beneficiary to enroll
- ▶ No income requirements
- ▶ Family coverage
- ▶ Use it anytime your prescription is not covered by insurance

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



For more information, call
1-877-321-2652 or visit
caremark.com/naco

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

FREE PRESCRIPTION DISCOUNT CARD

Gold County

PHN
RPOK
DORR
COUNTY GOVERNMENT



This plan is not insurance.

Tear off this card and
start saving today!

It's easy

Simply present your card, provided to you in a joint effort of your local county government and the National Association of Counties (NACo), at a participating retail pharmacy and save an average of 20% on your prescription medicine. Loading a pharmacy is easy. Put in 10 pharmacy numbers to be able to use your discount card. No extra cost, no annual membership fee, one card, immediate use.

No limits

You and your family may use your prescription discount card to purchase your prescription if not covered by insurance. There are no restrictions and no limits on how many times you may use your card.

Savings

Visit caremark.com/naco to look up participating pharmacy and to estimate for your prescription costs, drug interactions or read news stories from leading health journals. For more information, call toll-free

1-877-321-2652

Información en Español en la parte atrás del folleto

Important!

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

Independent Pharmacies

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

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

Chain Pharmacies

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

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

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





25 Massachusetts Avenue, NW Suite 500 Washington, DC 20001
202.393.6226 fax 202.393.2630 www.naco.org

Set pg 14 pg 15



NASSAU COUNTY
BOARD OF COUNTY COMMISSIONERS
P.O. Box 1010
Fernandina Beach, Florida 32035-1010

Jim B. Higginbotham
Michael H. Boyle
Tom Branan
Barry Holloway
Marianne Marshall

Dist. No. 1 Fernandina Beach
Dist. No. 2 Amelia Island
Dist. No. 3 Yulee
Dist. No. 4 Bryceville
Dist. No. 5 Callahan

JOHN A. CRAWFORD
Ex-Officio Clerk

DAVID A. HALLMAN
County Attorney

EDWARD L. SEALOVER
County Coordinator

February 27, 2008

Andrew Goldschmidt
Director of Membership Marketing
National Association of Counties
25 Massachusetts Avenue, NW 5th Floor
Washington, DC 20001

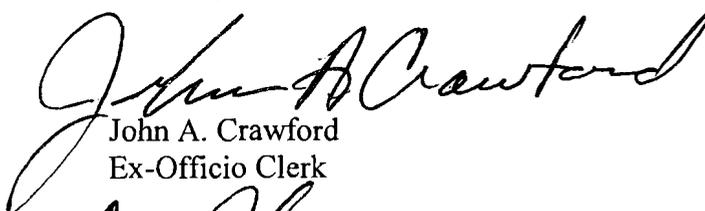
RE: National Associations of Counties (NACo) Contract

Dear Mr. Goldschmidt:

During a regular session of the Nassau County Board of County Commissioners held February 11, 2008 the Board approved and authorized the Chair to sign the referenced contract. I have enclosed two original signed documents. Once signed, please return one fully executed contract to my office and retain one original for your record. I have enclosed a self-addressed envelope for your convenience.

Thank you for your assistance in this matter. If I can be of any service to you, please do not hesitate to let me know.

Sincerely,


John A. Crawford
Ex-Officio Clerk


/bkl

Enclosures

(904) 491-7380 or (800) 789-6673

An Affirmative Action / Equal Opportunity Employer

FedEx USA Airbill
Express

FedEx
Tracking
Number

8463 9946 7020

Sender's Copy

1 From Please print and press hard.

Date 2/27/08 Sender's FedEx Account Number 1655-6271-2
Sender's Name John A. Crawford Phone (904) 548-4600

Company BOARD OF COUNTY COMMISSIONERS

Address 76347 VETERANS WAY Dept./Floor/Suite/Room

City YULEE State FL ZIP 32097

2 Your Internal Billing Reference
First 24 characters will appear on invoice

NACo Contract

3 To

Recipient's Name Andrew Goldschmidt Phone ()

Company National Associations of Counties

Address 25 Massachusetts Avenue, NW 5th Floor
To "HOLD" at FedEx location, print FedEx address. We cannot deliver to P.O. boxes or P.O. ZIP codes.

Address

City Washington State DC ZIP 20001 Dept./Floor/Suite/Room

4a Express Package Service

FedEx Priority Overnight
Next business morning FedEx Standard Overnight
Next business afternoon FedEx First Overnight
Earliest next business morning delivery to select locations

FedEx 2Day
Second business day FedEx Express Saver
Third business day
FedEx Envelope rate not available. Minimum charge: One pound rate

Packages up to 150 lbs.

Delivery commitment may be later in some areas.

4b Express Freight Service

FedEx 10ay Freight*
Next business day FedEx 2Day Freight
Second business day FedEx 3Day Freight
Third business day

Packages over 150 lbs.

Delivery commitment may be later in some areas.

* Call for Confirmation:

5 Packaging

FedEx Envelope* FedEx Pak*
Includes FedEx Small Pak, FedEx Large Pak, and FedEx Sturdy Pak Other

* Declared value limit \$500

6 Special Handling

SATURDAY Delivery
Available ONLY for FedEx Priority Overnight, FedEx 2Day, FedEx 10ay Freight, and FedEx 2Day Freight to select ZIP codes

HOLD Weekday
at FedEx Location NOT Available for FedEx First Overnight

HOLD Saturday
at FedEx Location Available ONLY for FedEx Priority Overnight and FedEx 2Day to select locations

Include FedEx address in Section 3.

Does this shipment contain dangerous goods?
One box must be checked.

No Yes
As per attached Shipper's Declaration Yes
Shipper's Declaration not required Dry Ice
Dry Ice, 9 UN 1845 x kg

Dangerous Goods (including Dry Ice) cannot be shipped in FedEx packaging. Cargo Aircraft Only

7 Payment Bill to:

Sender Recipient Third Party Credit Card Cash/Check
Sender Acct. No. in Section 1 will be billed.

FedEx Acct. No. Exp. Date
Credit Card No.

Total Packages	Total Weight	Total Declared Value*
1		\$.00

*Our liability is limited to \$100 unless you declare a higher value. See back for details.

FedEx Use Only

8 Release Signature Sign to authorize delivery without obtaining signature.

By signing you authorize us to deliver this shipment without obtaining a signature and agree to indemnify and hold us harmless from any resulting claims.

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Try online shipping at fedex.com

By using this Airbill you agree to the service conditions on the back of this Airbill and in our current Service Guide, including terms that limit our liability.
Questions? Visit our Web site at fedex.com
or call 1.800.Go.FedEx® 800.463.3339.

0277314899

Dear County Officials:

The Prescription Drug Card Program contract is attached. **Please review the checklist on p. 1 of the contract document.** Incorrect checklists or contracts will result in a delayed implementation of the program.

Please follow these directions carefully:

1. Counties, Parishes, Boroughs **sign exhibit C of the contract** which attaches the county to the overall NACo contract. If your county requires a copy of the signature page bearing the NACo and Caremark signatures, this can be provided to you via .PDF on request.

2. Once signed, mail the Exhibit C page (**this is on page 15 of the contract with BLANK signature lines**) and the checklist to:

Andrew Goldschmidt
Director of Membership Marketing
National Association of Counties
25 Massachusetts Ave, NW 5th Floor
Washington, DC 20001

3. Once the contract is received, our executive director will sign it and pass it on to Caremark for final signature. You may start your internal planning process to promote the program.

4. While the final signatures are being completed, please forward your logo or seal via e-mail to elandsman@naco.org or agoldschmidt@naco.org (if you prefer, you may have the card simply read XYZ County or XYZ CountyRx) and specify the quantity of card brochures you would like to order by **filling out the checklist**. Caremark will draw up proofs for your approval. **Once they are approved by your county**, the materials will be completed and in your hands by the time the contract returns with the final signature.

You may estimate 8-10 weeks from the date the contract is returned until you can distribute the cards to your county residents. A key note, any non pre-approved press releases or other information to be distributed on the program must come to NACo and Caremark's attention for approval prior to use.

Please contact me or Andrew if you have any questions or need further information. NACo looks forward to working with you on this exciting program!

Sincerely,

Emily Landsman
Membership Coordinator, II

P.S. - If you need to access the collateral materials on the program, you can access those by logging in to the NACo's members only portion of the web site at www.naco.org. Please contact me at (202) 942-4242 or elandsman@naco.org if you need assistance.

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.



**This checklist is not part of the NACo contract, however, please return it with your signed contract.*
*Incomplete or incorrect checklists will delay implementation of the program**

NACo Prescription Drug Program checklist

County Name/State: NASSAU, FLORIDA Date contract returned to NACo: _____

1. Who is the ONE contact person in the county with whom we may communicate about this program?

Name and title EDWARD L. SEALOVER, COUNTY COORDINATOR

Address (w/ City, State, Zip) P.O. BOX 1010 FERNANDINA BEACH, FL. 32035

Phone 904-491-7380 Fax 904-321-5784

E-mail (We must have your e-mail address!) esealover@nassaucountyfl.com

2. What is your county's anticipated start-up date for the program? CURRENT START UP TIME IS 8-10 WEEKS FROM THE TIME THE CONTRACT IS RETURNED TO NACo. Please plan your county's roll out of the program accordingly. 2-3 WEEKS FROM RECEIPT OF MATERIALS.

3. Please choose a design for the discount cards: (YOU MUST CIRCLE ONE)

- a. "County Name" or "County NameRx"
- b. Logo/seal on cards
 - a. Be sure to e-mail a black and white logo/seal to agoldschmidt@naco.org or elandsman@naco.org in a .jpg or .tiff format
 - b. Put "(COUNTY NAME) LOGO" in the subject line of your e-mail
- c. Other. You must contact NACo if you do not choose either a or b.

4. How many cards are you requesting? (We are advising 20% to 25% of your county's total population, on average. Some counties may need more.)

~~16,000~~ 14,000

a. What is your county's population? 66,000

b. Do you need cards/posters in Spanish? How many? YES, 1300 CARDS 9000

5. Please provide a street address for delivery of cards. Cards will be sent via UPS Ground.

NO PO BOXES!

96160 NASSAU PLACE YULKE, FL. 32097

6. What is your county's web address (if available)? WWW.NASSAUCOUNTYFL.COM

Will this program have its own page? (Please provide) _____

What number would county residents call to pick up a card? 904-491-7380

This section for NACo use only

_____ Copy of signed contract sent to Caremark?

_____ Signed contract back from Caremark?

_____ Proof: approved?

Notes:

