

AMENDATORY AGREEMENT

THIS AMENDATORY AGREEMENT is made and entered into by and between the **CITY AND COUNTY OF DENVER**, a municipal corporation of the State of Colorado (the “**CITY**”), and **INTEGRATED PRESCRIPTION SOLUTIONS, INC.**, a Delaware corporation whose principal place of business is 3190-A Airport Loop Drive, Costa Mesa, California 92626 (the “**Consultant**”), jointly “the parties”

RECITALS:

A. The City and Consultant entered into an Agreement dated January 5, 2015 to provide Pharmacy Benefit Management services to effectively reduce costs and improve the quality of Workers’ Compensation care by providing an integrated pharmacy deliver system (the “**Agreement**”); and

B. The City and the Consultant desire to amend the Agreement to extend the term and increase compensation to the Consultant.

NOW, THEREFORE, the parties hereby amend the Agreement as follows:

1. Paragraph 3 of the Agreement entitled “**TERM**” is hereby amended to read as follows:

“**3. TERM**: The Agreement will commence on January 1, 2015 and will expire on December 31, 2017 (the “**Term**”). The term of this Agreement may be extended by the City under the same terms and conditions for up to one (1) additional two (2) year renewal term by a written amendment to this Agreement. Subject to the Director’s prior written authorization, the Consultant shall complete any work in progress as of the expiration date and the Term of the Agreement will extend until the work is completed or earlier terminated by the Director.”

2. Paragraph 4 of the Agreement entitled “**COMPENSATION AND PAYMENT**”, subsections (A) “**Fee**” and (C-1) “**Maximum Contract Amount**”, are hereby amended to read as follows:

“**a. Fee**: The City shall pay and the Consultant shall accept as the sole compensation for services rendered and costs incurred under the Agreement an amount not to exceed **ONE MILLION TWO HUNDRED SEVENTY FIVE THOUSAND DOLLARS AND NO CENTS (\$1,275,000.00)**. The rates set forth in **Exhibit B** will apply for the term of this Agreement including any extensions of the term by written agreement. The only reimbursable expenses allowed under the Agreement are those listed in **Exhibit B**.”

c. Maximum Contract Amount:

(1) Notwithstanding any other provision of the Agreement, the City's maximum payment obligation will not exceed **ONE MILLION TWO HUNDRED SEVENTY FIVE THOUSAND DOLLARS AND NO CENTS (\$1,275,000.00)** (the "Maximum Contract Amount"). The City is not obligated to execute an Agreement or any amendments for any further services, including any services performed by Consultant beyond that specifically described in **Exhibit A**. Any services performed beyond those in **Exhibit A** are performed at Consultant's risk and without authorization under the Agreement."

3. Except as herein amended, the Agreement is affirmed and ratified in each and every particular.

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Contract Control Number:

IN WITNESS WHEREOF, the parties have set their hands and affixed their seals at Denver, Colorado as of

SEAL

CITY AND COUNTY OF DENVER

ATTEST:

By _____

APPROVED AS TO FORM:

REGISTERED AND COUNTERSIGNED:

By _____

By _____

By _____



Contract Control Number: FINAN-201418934-01

Contractor Name: INTEGRATED PRESCRIPTION SOLUTIONS INC

By:  _____

Name: GREG TODD
(please print)

Title: CEO
(please print)

ATTEST: [if required]

By: _____

Name: _____
(please print)

Title: _____
(please print)



EXHIBIT B - PRICING

Fees

All fees for PBM Services are listed herein. No other fees shall be due for PBM Services.

1. Pharmaceutical Prices

IPS will provide City with two pricing options (detailed below) for pharmaceutical products. Pricing Option 2 shall be utilized during the first six months of effectiveness of the Agreement. City may elect to employ and switch between either pricing option at its discretion every six months thereafter, provided however that only one pricing option may be employed at any given time.

a. Pricing Option 1-Passthrough Pricing

City shall pay IPS for pharmaceuticals (for both brand and generic drugs) delivered by Participating Pharmacies at the lesser of 1) the rates (including both ingredient and dispensing fees) such pharmacies have agreed with IPS to accept, or 2) the corresponding price on the Colorado Workers' Compensation Fee Schedule, plus \$13.00 per dispensed prescription. IPS shall not retain any margin or spread on such pharmaceutical payments, other than the \$13.00 per prescription fee.

b. Pricing Option 2-Traditional Pricing

City shall pay IPS for pharmaceuticals under the following pricing structure:

RETAIL-30 DAY	
BRAND	AWP minus 13% plus
GENERIC	AWP minus 65% plus
DISPENSING FEE	\$3.00
RETAIL-90 DAY	
BRAND	AWP minus 14% plus
GENERIC	AWP minus 65% plus
DISPENSING FEE	\$3.00
MAIL ORDER	
BRAND	AWP minus 17% plus
GENERIC	AWP minus 65% plus
DISPENSING FEE	\$2.50
MAIL	Claims Processor Retains 50% of all Rebates
REBATES	Claims Processor Retains 50% of all Rebates

2. Drug Review Prices

PEER REVIEW PRICING	
Physician Pharmacological Review (PPR) Brief	\$450.00 Flat Rate Clinical Records Reviewed are <25 Pages <2 Drugs

Physician Pharmacological Review (PPR) Standard	\$744.00 Flat Rate Clinical Records Reviewed are <25 Pages 3 - 6 Drugs
Physician Pharmacological Review (PPR) Extensive	\$912.00 Flat Rate Clinical Records Reviewed are 25 Pages Greater than 6 Drugs
Clinical Pharmacist Consulting: Consisting of a brief review on a limited basis at IPS' reasonable discretion of 3 months' worth of pharmacy data in addition to addressing compensability versus medication prescribed	Free

Performance Incentive & Service-Level Agreements (SLAs)

IPS shall remit 50% of rebates or rebate share, as applicable, corresponding to the City's total pharmaceutical activity. Rebate remittances shall be delivered to the City at a minimum frequency of no less than biannually. With each remittance, IPS shall provide City with calculation details supporting rebate remittance amounts. IPS will provide all documentation from its agreement with its network processor necessary for City to validate that 50% of rebate share applicable to Covered Prescriptions has been remitted to City.

Performance Incentive & Service-Level Agreements (SLAs)

IPS fees shall be subject to quarterly lump sum adjustments that increase or reduce IPS fees based on the below schedule. Adjustments will be calculated and settled quarterly, with the first calculation quarter being the first three months of activity under this Agreement, and each following three-month period being the next calculation quarter. Lump sum fee increases will be settled under the payment terms defined in the Agreement. Lump sum fee decreases will be remitted by IPS to the City within 30 (thirty) days following the end of the respective calculation quarter.

SLA	Fee Adjustment Impact
1) Tracking and refund of reversed/cancelled transactions.	<ul style="list-style-type: none"> 1% fee increase for identification and correction of all reversed/cancelled transactions within 2 weeks of billing by City or prior to the bill being paid by City. 1% fee decrease for two or more missed instances of reversed/cancelled transactions within 2 weeks of billing City or prior to the bill being paid by City. JPS may apply credits or any refund money owed to any outstanding or past-due receivables past 60 days old, which for purposes of this SLA shall be deemed to be refunded.
2) Generic Dispense Rate (GDR)	<ul style="list-style-type: none"> 1% fee increase for 82% or greater GDR. 1% fee decrease for 78% or lower GDR.
3) Generic Efficiency Rate (GER)	<ul style="list-style-type: none"> 1% fee increase for 96% or greater GER. 1% fee decrease for 94% or lower GER.

<p>4) Duplicate Billings</p>	<ul style="list-style-type: none"> • 1% fee increase for two or fewer duplicate billings (whether billed solely by IPS, or by IPS and dispensing pharmacy), which duplicate billings have not been identified and corrected within 30 days of the latest duplicate billing. • 1% fee decrease for three or more duplicate billings (whether billed solely by IPS, or by JPS and dispensing pharmacy), which duplicate billings have not been identified and corrected within 30 days of the latest duplicate billing. 	<ul style="list-style-type: none"> •
<p>5) Pharmacy card issuance</p>	<ul style="list-style-type: none"> • 1% fee increase for one or fewer instances of failure to deliver a pharmacy card to an injured worker within 5 business days of claim entry (whether via Claim File or manual entry). • 1% fee decrease for two or more instances of failure to deliver a pharmacy card to an injured worker within 5 business days of claim entry (whether via Claim File or manual entry). 	<ul style="list-style-type: none"> •
<p>6) Response to City/injured worker/pharmacy/physician inquiries</p>	<ul style="list-style-type: none"> • 1% fee increase for one or fewer instances of failure to respond to an inquiry made by City through JPS' web portal, a City email address, or any call made by City and documented after the fact via JPS' web portal or email from a City email address, within 1 business day of receipt. • 1% fee decrease for two or more instances of failure to respond to an inquiry made by City through IPS web portal, a City email address, or any call made by City and documented after the fact via IPS' web portal or email from a City email address, within 1 business day of receipt. 	<ul style="list-style-type: none"> •