

**UNITED NETWORKS OF AMERICA**  
RETAIL PRESCRIPTION SPONSOR AGREEMENT

**City of Long Beach**

THIS AGREEMENT, to be effective 6 / 1 / 07<sup>30169</sup>, is between UNITED NETWORKS OF AMERICA, INC. with corporate headquarters at 3636 Sherwood Forest, Sherwood Tower 440, Baton Rouge, LA 70816 (hereinafter referred to as “United Networks of America” and City of Long Beach, a municipal corporation (hereinafter referred to as “SPONSOR”).

**WITNESSETH**

WHEREAS, SPONSOR wishes to provide prescription drug benefits to eligible members entitled to participate under its programs.

WHEREAS, United Networks of America has developed a managed care system for the processing and payment of claims for prescription drugs.

WHEREAS, SPONSOR is desirous of retaining the services of United Networks of America for the managed care of prescription drug benefits furnished to “Eligible Members”.

WHEREAS, SPONSOR has been authorized to acquire agreements, discounts, and relationships which will decrease the subscribers’ healthcare expense.

WHEREAS, United Networks of America is a pharmacy network that offers integrated services and who is willing to offer access to SPONSOR subscribers at discounted rates.

WHEREAS, SPONSOR is willing to offer the option of SPONSOR subscribers to purchase their prescriptions from a United Networks of America network pharmacy.

WHEREAS, in return for SPONSOR efforts to cooperate with United Networks of America, United Networks of America is willing to offer an integrated on-line national discount pharmacy service to SPONSOR subscribers.

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, the parties agree as follows.

**I. DEFINITIONS**

“Eligible Member” means any individual (employee, union, etc.) which SPONSOR identifies on the eligible file as being eligible for coverage under this agreement.

“Eligible Dependent” means any family member, or significant other residing in the household or any family member away at school. Coverage for eligible dependents will be only as specified by SPONSOR.

“Eligible File Maintenance Form” means that form or telecommunication method allowed by United Networks of America and completed by SPONSOR or a tape or diskette (in a format acceptable by United Networks of America) supplied by SPONSOR which identifies covered members as well as other eligibility information necessary to administer the program and process prescription drug claims.

“Prescription Order” means the legal request for prescription legend drugs issued by a duly licensed physician as defined in this agreement.

“Licensed Physician” means a licensed Doctor of Medicine (M.D.), or Doctor of Osteopathy (D.O.), Doctor of Podiatry (D.P.M.), or Doctor of Dentistry (D.D.S. or D.M.D.) when acting within the scope of his/her practice.

“Federal Legend Drugs” means any substance which bears the legend “Caution: Federal Law prohibits dispensing without prescription” and, for the purposes of this agreement, shall include State Restricted Drugs (and Non-Federal Legend Drugs, which, according to State Law, may not be dispensed in any quantity without a prescription) and compounded prescriptions containing at least one Federal Legend of State Restricted Drug in a therapeutic amount.

“Co-Payment” means that amount of money the member must pay for each prescription filled or refilled under this agreement.

“Participating Pharmacy” means any pharmacy which desires to provide pharmaceutical services to members and dependents and who have entered into a participating pharmacy agreement with United Networks of America or its affiliates.

“Average Wholesale Price” (AWP) shall mean the current average wholesale price in effect on the date the prescription was dispensed as listed in the industry standard references (Medi Span, First Data Bank) for the actual package size dispensed.

## **II. DRUG BENEFITS**

- A. Drugs Coverage and Exclusions. Please see Attachment A.
- B. Dispensing Quantities.  
The amount of a drug which may be supplied per prescription as indicated in Attachment A.
- C. Refills.  
A prescription may be filled up to one year from the time it was issued by the physician if the physician so authorizes and if allowed by state and federal pharmacy laws.
- D. Co-Payment. Please see Attachment A.

## **III. ENROLLEMENT VERIFICATION**

All eligible members or dependents must present to participating pharmacy a properly completed identification card before participating pharmacy will be required to provide services.

Sponsor will inform United Networks of America with monthly updates, using electronic media or the necessary allowed forms, of all changes in status of members (i.e. additions, terminations, lost cards, etc.).

United Networks of America will allow enrollment at the pharmacy (on the fly enrollment) for specified groups of members provided that the member presents a card to the pharmacist that contains a unique number within that group. United Networks of America will forward the membership information obtained by any “on the fly” enrollments promptly to SPONSOR.

## **IV. DEPENDENT COVERAGE**

Coverage for eligible dependents will be only as specified by SPONSOR. Extended coverage is allowed by SPONSOR for dependents that are students, mentally retarded, physically handicapped and/or subject to other special conditions.

United Networks of America will provide SPONSOR members with a toll free number to allow for enrollment during United Networks of America normal business hours, if desired.

#### **V. DUTIES OF UNITED NETWORKS OF AMERICA**

United Networks of America will perform the following duties under this agreement subject to the performance standards described below.

- A.* Receive from all participating pharmacies and form SPONSOR members, claim forms (in National Council of Prescription Drug Program required electronic format) and other necessary information to process claims for prescription drugs furnished to members and their eligible dependents.
- B.* Arrange all personnel, equipment, and facilities necessary to perform the claims processing operations for all claims submitted under this agreement.
- C.* Provide data entry of claims. This includes the capability to accept claims from United Networks of America participating pharmacies via on-line transmission.
- D.* Review claims for approval or disapproval in accordance with the provisions of the United Networks of America retail sponsor agreement specifications.
- E.* Maintain complete, current and accurate listings of United Networks of America participating pharmacies and provider files.
- F.* United Networks of America agrees to provide electronic security for the SPONSOR member database and United Networks of America will insure access to the SPONSOR member database only by those United Networks of America employees required to complete the responsibilities of United Networks of America under this contract.
- G.* United Networks of America agrees to provide all services described in this agreement a timely, responsible and professional manor except as to any delays beyond the reasonable control of United Networks of America.
- H.* United Networks of America shall provide SPONSOR monthly with the utilization summary report.
- I.* United Networks of America will be responsible for servicing program.

#### **VI. DUTIES OF SPONSOR**

SPONSOR shall have the following duties with respect to this agreement.

- A.* Provide United Networks of America with information and data necessary, in the form defined by United Networks of America, to enable United Networks of America to review each claim.
- B.* SPONSOR will use its best efforts to oversee the distribution of the programs prescription drug identification card, member guide and other inserts to all of SPONSOR subscribers.
- C.* SPONSOR will maintain the eligibility file for eligible members.

#### **VII. PHARMACY RESPONSIBILITIES / PROCEDURES**

- A.* United Networks of America will enable identified members and dependents to obtain covered drugs benefits at any United Networks of America participating pharmacy. Prescription orders must be made by a duly licensed physician, as defined in section I of this agreement.
- B.* All claims shall be submitted and adjudicated using telecommunications formats approved by the national council for prescription drug programs at the time or prior to the time the member receives their prescription order.
- C.* All original claims shall be submitted at the point of service.
- D.* Generic drugs will be dispensed whenever possible. If a prescription is written generically, participating pharmacy will dispense a generic product consistent with the order of the physician and allowed by state and federal laws.

## VIII. TERMS OF PAYMENT

- A. United Networks of America agrees to classify each SPONSOR subscriber as an eligible member and all prescription orders shall be accompanied by payment in full.
- B. Nothing herein contained shall in any way obligate United Networks of America network pharmacy to dispense any prescriptions without payment as provided above.
- C. United Networks of America will pay Sponsor \$0.50 per paid prescription, per month. The terms of payment are illustrated in attachment A of the agreement.
- D. United Networks of America agrees to provide all services to SPONSOR as outlined in this agreement at no cost to SPONSOR.

## IX. TERM AND TERMINATION

- A. This exclusive agreement shall remain in full force and effect, unless otherwise terminated, for a term of three (3) years. The term of this agreement shall be automatically renewed for successive additional one (1) year terms unless written notice to the contrary is given by either party to the other, sent by certified mail. Either party may give notice that it does not want to renew the Agreement, for any reason, 60 days prior to the end of the current term. SPONSOR will not utilize any other for these services throughout the term of this agreement.
- B. In the event of any material breach of any term of this agreement, the non-breaching party may terminate by written notice, sent by certified mail, as hereinafter provided. Either party may terminate the Agreement upon a breach by the other party if such breaching party fails to cure the breach within 30 days of receipt of the notice.
- C. Neither party shall be liable to the other for any special, consequential or liquidated damages. Liability of either party to the other in the event of any material breach of any term of this agreement shall be limited to recovery of the loss of any revenues occasioned by any such breach.
- D. Upon termination of this agreement SPONSOR shall have the right to continue to market the program for a period of up to twelve (12) months (if services are still available to United Networks of America). Members who are enrolled in the services pursuant to this agreement will remain members and will continue to be serviced until membership is canceled by SPONSOR. This period of extended membership or rollout shall not exceed twelve (12) months after the date of termination. United Networks of America shall continue to pay transaction fees as outlined in attachment A during the rollout period. Payment to SPONSOR is vested and guaranteed during the entire rollout period.
- E. United Networks of America shall not directly make an offer to any member or knowingly allow any third party to make an offer to any member to induce such member to enroll in another program offering similar benefits.

## X. CONFIDENTIAL INFORMATION

Neither party shall disclose any information or knowledge concerning the other party's claims, accounting procedures, nor histories, all of which are deemed confidential information except as otherwise required by law. All data, information, and knowledge supplied by United Networks of America shall be used by SPONSOR exclusively for the purposes of performing this agreement. It is agreed that all computer programs, flow charts, screens and applications, routines, subroutines, data banks, and formulae relating to the processing, handling, or treatment of data developed or brought to the performance of this agreement by either party in the processing and payment of claims under this agreement shall be and remain the property of the developer. Upon termination of this agreement, United Networks of America shall return to SPONSOR all confidential information provided by SPONSOR including, without limitation all copies and electronic magnetic versions thereof. Upon termination of the agreement, SPONSOR shall return to United Networks of America all confidential information and manuals provided to SPONSOR by United Networks of America including, without limitation, all copies and electronic magnetic versions.

## **XI. INDEMNIFICATION**

Each party to this agreement agrees to indemnify the other and to save the other harmless from and against any and all claims (a) arising from or out of the failure, refusal or neglect of the other party to comply with any of the provisions of this agreement and / or; (b) occasioned wholly or in part by any act or omission of the other party, its agents, contractors or employees.

## **XII. ACCEPTANCE OF OFFER**

Notwithstanding anything to the contrary set forth above, this agreement shall not be binding upon United Networks of America unless and until the agreement shall be signed and executed by a duly authorized officer of United Networks of America. The signing of this agreement by subscriber constitutes an offer only until the same has been accepted.

## **XIII. PROFESSIONAL JUDGMENT**

Nothing in this agreement shall be construed to require participating pharmacy to dispense any prescription medication if, in the pharmacist's professional judgment, such medication should not be dispensed.

## **XIV. GENERAL**

- A.* Neither of the parties to the agreement, nor any of their respective employees, shall be construed to be the agent, employee or representative of the other, or liable for any acts of omission or commission on the part of the other.
- B.* This agreement may not be assigned by either party without the express written consent of the other party.
- C.* The headings contained in the agreement are for reference purposes only and shall not affect the meaning or interpretation of this agreement.
- D.* Both parties reserve the right to and control of the use of their names, symbols, trademarks or service marks presently existing or hereafter established.
- E.* Neither the failure nor any delay on the part of either party to exercise any right, power or privilege hereunder will operate as a waiver thereof, nor will any single or partial exercise of any such right, power or privilege preclude any other or further exercise thereof, or the exercise of any other right, power or privilege. In the event either party should waive any breach of any provision of this agreement, it will not be deemed or construed as a waiver of any other breach of the same or different provision.
- F.* The invalidity or non-enforceability of any term or provision of this agreement shall in no way affect the validity or enforceability of any other term or provision.
- G.* Notices shall be in writing and shall be sent by return receipt mail addressed to the other party at the address shown in this agreement.
- H.* This agreement and the exhibits and schedules attached hereto shall be binding upon and inure to the benefit of the parties hereto and their respective permitted successors and assigns.
- I.* This exclusive agreement shall be construed according to the laws of the State of California.
- J.* Any modification or amendment to this agreement or additional obligation assumed by any party in connection with this agreement shall be binding only if evidenced in writing signed by each party except to the extent incorporated in this agreement.
- K.* This agreement shall constitute the entire agreement between the parties and any prior understanding or representation of any kind preceding this agreement shall not be binding upon any party except to the extent incorporated in this agreement.
- L.* Each party executing this agreement specifically warrants and represents that he or she has full power and authority to execute this agreement and that he or she understands the terms of this agreement. Each person executing this agreement represents that he or she has not transferred or assigned or otherwise conveyed in any manner or form any of the rights, obligations or claims which are the subject matter of this agreement.

M. Each of the parties represents and acknowledges that they have read this agreement and that they understand the same and that they have entered into this agreement voluntarily.

N. ELECTRONIC ADVERTISING. Sponsor is restricted from marketing on Adwords, Google, Overture, and 3<sup>rd</sup> party vendor who re-sells space or pay-per-click advertising on any site represented by these companies. Violation if spam and internet advertising will result in forfeiture of all commissions

O. SPONSOR agrees not to endorse, market, sponsor, or re-sell any other prescription cash card for the term of this agreement. Upon termination, SPONSOR may contract with another vendor.

P. SPAM IS NOT PERMITTED. Any form of Spam used by the Sponsor will result in the Sponsor Agreement being terminated. You need to be aware that United Networks of America may incur expenses in dealing with Spam generated e-mail. If United Networks of America (UNA) incurs expenses in dealing with spam generated e-mail, UNA shall provide the SPONSOR (City) evidence of such expenses and only documented expenses will be deducted from the City's commissions.

Q. ANTI-SPAM POLICY. By accepting the Sponsor agreement you agree not to promote you Sponsor Site, through any of the following means:

- Sending unsolicited email for commercial purposes.
- Posting a single article or advertisement, to Usenet or other newsgroups, forums, email mailing lists or other similar groups or lists.
- Posting to any Usenet or other newsgroup, forum, email mailing list, or other similar group or list, articles which are off-topic according to the charter or other owner-published FAQ or description of the group or list.
- Engaging in any of the foregoing activities using the service of another provider, but channeling such activities through a service provided by United Networks of America (such as using a company supplied mailbox as a mail drop, or referring to a URL hosted by one of United Networks of America's servers).
- Falsifying Visitor information, including the falsification of return email addresses.
- The use of too-good-to-be-true marketing software programs that blast lists, Usenet and newsgroups.

United Networks of America considers the above practices to constitute an abuse of the Sponsor Program and of the recipients of such unsolicited mailings or postings, who often bear the expense. Therefore, these practices are prohibited under this Agreement. Engaging in one or more of these practices may result in United Networks of America terminating this Agreement.

APPROVED AS TO FORM

In Witness Whereof, the parties here have to execute this agreement as of the date first above written.

5/24/07  
ROBERT E. SHANNON, City Attorney

DEPUTY CITY ATTORNEY  
ASSISTANT TO SECTION 301 OF THE CITY CHARTER.

By: Christine J. Shippey  
Authorized Signature

By: GERALD R. MILLER  
Name - Typed or Printed

By: CITY MANAGER  
Title - Division

United Networks of America, Inc

By: [Signature]  
Authorized Signature

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J. Brian Oliver  
Seal of United Networks of America  
Vice President  
National Sales & Marketing



## ATTACHMENT A

### Drug Coverage and Exclusions:

Subscriber hereby declares the following classifications of pharmaceutical goods to be either included or excluded from coverage in this agreement.

All formulary federal legend drugs are covered including compounded prescriptions containing at least one federal legend or state restricted drugs.

### Network Pharmacies Dispensing Limitations:

The quantity authorized by the prescriber up to and including the lesser of a ninety-day supply or two hundred (200) unit doses.

### Generic Substitutions:

Generic drugs will be dispensed whenever possible. Consistent with the order of the member's physician and allowed by state and federal laws.

### Member Co-Payments – United Networks of America Network Pharmacies

If a brand name drug is dispensed: 100% of calculated co-pay amount

If a generic drug is dispensed: 100% of calculated co-pay amount

The SPONSOR program is administered by United Networks of America, Inc., and is known the United Networks of America Prescription Drug Program. This program offers consumers and employers the ability to acquire various pharmaceutical products at significant savings to help manage pharmacy and health benefits. Currently, the program promotes all pharmaceutical products in various drug categories and is updated from time to time.

The SPONSER will be paid monthly for all billable claims (claims that are not reversed, rejected, or a U&C claims) generated by their assigned Group number. Due to our adjudicators collecting payment from the pharmacies, there is a 45 to 60 day lag on payment on our commissions.

The SPONSOR member may obtain savings and have their prescription(s) filled at any participating pharmacy. Pharmacies are continually being added and to determine if a particular pharmacy is enrolled, members can call 1-800-726-4232 or visit [www.unarxcard.com](http://www.unarxcard.com). Pharmacies currently enrolled in the program administrator, United Networks of America, Inc., and / or the Health Trans network and have agreed to honor the United Networks of America prescription drug program.

Participating pharmacies shall collect the full amount of co-payment as indicated herein from the member and/or eligible dependent for each new prescription or refill at the time of the purchase.

### Transaction Fees:

United Networks of America shall pay to SPONSOR a portion of the transaction fees collected. In accordance with the schedule outlined below. The transaction fee only applies to prescriptions that are adjudicated at the negotiated rates. Prescriptions that adjudicate at the U&C price DO NOT qualify for transaction fee payments. United Networks of America is under no obligation to pay transaction fees to SPONSOR if for any reason these funds are not made available to United Networks of America.

Transaction fees will be paid within 60 days of the end of each calendar month.

Transaction fees shall continue to be paid to SPONSOR during the 12 month run-out period after termination of this contract. SPONSOR understands that the payment will only be made on scripts that are processed at a discount and only if transaction fees are paid and received from pharmacy. Prescriptions processed at U&C do not qualify for reimbursement. Health Trans has been contracted to adjudicate claims and can provide complete documentation on claims processed.



Transactions Fees Payable to SPONSOR  
\$0.50 per script per month

<b>Included Program Features</b>	
<b>On-line Processing</b>	<b>Included</b>
<b>Provider Network Management</b>	<b>Included</b>
<b>Concurrent Drug Utilization Review (DUR)</b>	<b>Included</b>
<b>Pharmacy / Member Help Desk</b>	<b>Included</b>
<b>Member Services (Toll-Free)</b>	<b>Included</b>

(1) If this agreement has any affect whatsoever on the level of reimbursement participating pharmacies receive from any state Medicaid (Title XIX) program, Section VII (Payments to United Networks of America) of this agreement will be immediately renegotiated and adjusted so that this agreement has no affect on the level of reimbursement participating pharmacies receive from the Medicaid program.

**CARD REQUIREMENTS**

**All Cards must be pre-approved by United Networks of America.**