

DEPARTMENT OF CORRECTIONS
CONTRACT FOR SPECIAL SERVICES – FIRST RENEWAL

BY AGREEMENT of both parties this 19th day of June, 2008, the Agreement to Purchase Services, dated January 11, 2007, between the State of Maine, Department of Corrections, hereinafter called "Department" or "MDOC" and Correct Rx Pharmacy Services, Inc., hereinafter called "Provider" (the "Original Agreement") is hereby renewed for a period of two (2) years, from July 1, 2008, to June 30, 2010, as follows:

1. The Original Agreement is amended effective July 1, 2008, in accordance with the provisions of Rider A-1 attached hereto.
2. The dollar amount of the Original Agreement is increased by \$2,800,000.00 from \$3,940,000.00 to \$6,740,000.00 for the period July 1, 2008 through June 30, 2009, and increased by the amount of \$2,800,000.00 plus the applicable percentage increase calculated pursuant to this First Renewal for the period July 1, 2009 through June 30, 2010.
3. All other terms and conditions of the Original Agreement remain in full force and effect.

The following rider is hereby incorporated into this First Renewal Agreement (the "First Renewal") and made a part of it by reference:

Rider A-1 to Agreement to Purchase Services – First Renewal

IN WITNESS WHEREOF, the Department and Provider, by their duly authorized representatives, have executed this First Renewal Agreement in four originals as of the day and year first above written.

Maine Department of Corrections

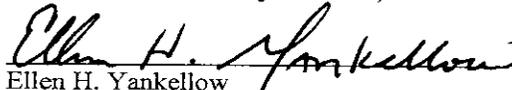
By:

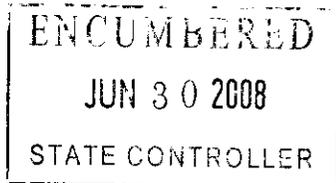

Denise V. Lord, Associate Commissioner

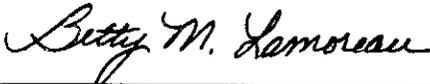
and

Correct Rx Pharmacy Services, Inc.

By:


Ellen H. Yankellow
President and CEO





Approved, State Purchases Review Committee

JUN 30 2008 Date:

Encumbrance Number: CT03A 20070711 - 1411
Old Contract Amount: \$3,940,000.00
Increase Amount: \$2,800,000.00
New Contract Amount: \$6,740,000.00

Vendor Code: VC1000018312
Account: See List
Termination Date: June 30, 2010

MFASIS ACCOUNT CODING

VENDOR CODE	DOC TOTAL	FND	AGY	ORG	SUB ORG	APPR	ACTIVITY	OBJ	SUB ORG	JOB NO	REPT CATG
VC1000018312	140,000	010	03A	4090	01			4028			
	112,000	010	03A	4091	01			4028			
	700,000	010	03A	4092	01			4028			
	1,400,000	010	03A	4093	01			4028			
	196,000	010	03A	4094	01			4028			
	56,000	010	03A	4096	01			4028			
	112,000	010	03A	4097	01			4028			
	84,000	010	03A	4028	01			4028			

TOTAL 2,800,000

RIDER A-1
to
AGREEMENT TO PURCHASE SERVICES – FIRST RENEWAL

1. Section V(H) is added to original Rider A as follows:

H. Conformity to Maine Prescription Drug Practices Act

The parties understand and agree that, by virtue of the operation of Maine Private and Special Law, chapter 43, section 2, the provisions of 22 M.R.S.A. § 2699(2) apply to the medications and services to be provided under this Agreement. Accordingly:

1. Provider shall perform its duties under this Agreement with care, skill, prudence, and diligence and in accordance with the standards of conduct applicable to a fiduciary in an enterprise of like character and with like aims;
2. Provider shall notify the Agreement Administrator in writing of any activity, policy, or practice of Provider that directly or indirectly presents any conflicts of interest with the duties imposed by this Subsection H;
3. Provider shall provide to the Agreement Administrator all financial and utilization information requested by MDOC relating to (i) medications to be furnished under this Agreement and (ii) services to be furnished by Provider to MDOC under this Agreement;
4. If, in furnishing medications to MDOC under this Agreement, Provider substitutes one medication for another:
 - a. If the substitute medication costs more than the original medication, Provider shall disclose to the Agreement Administrator the cost of both medications and any benefit or payment directly or indirectly accruing to Provider as a result of the substitution; and
 - b. Provider shall transfer in full to MDOC any benefit or payment received in any form by Provider either as a result of the substitution of a medication under Subsection H(4)(a) or as a result of Provider's substituting a lower-priced generic and therapeutically equivalent medication for a higher priced medication;
5. If Provider derives any payment or benefit for the furnishing of medications to MDOC under this Agreement based on volume of sales for certain prescription medications or classes or brands of medications, Provider shall pass that payment or benefit on in full to MDOC;

6. Provider shall disclose to the Agreement Administrator all financial terms and arrangements for remuneration of any kind that apply between Provider and any prescription drug manufacturer or labeler, including, without limitation, formulary management and drug-switch programs, educational support, claims processing, and pharmacy network fees that are charged from retail pharmacies and data sales fees; and
7. Provider may designate information provided under Subsection 3 and 6 as confidential ("Confidential Information"). MDOC shall not disclose any Confidential Information without the written consent of Provider; provided, however, that MDOC may disclose Confidential Information in response to a court order or in a filing under seal in federal or state court.

2. Section VII(A)(1) of original Rider A is amended as follows:

- a. Administrative Fee – Per Prisoner or Resident/Per Month Cost:
~~\$2.95~~ \$3.46.

At the beginning of each month, MDOC shall determine the average daily aggregate prisoner and resident population for all MDOC facilities during the preceding month. The Administrative Fee for any month shall be calculated by multiplying the average daily population for the month times ~~\$2.95~~ \$3.46.

- b. All Other Costs: Cost plus 3% 4%

3. Section VII(A)(5) of original Rider A is amended as follows:

5. Renewal. If the parties renew this Agreement in accordance with subsection II(A), the pricing for each 12 months of the renewal period shall be the same as the price stated in subsection VII(A)(1); provided, however, that subsection VII(A)(1)(a) shall be increased, for each 12 months of each renewal period, by an amount no greater than the percentage increase in the Medical Care Component of the Consumer Price Index for the Northeast within the 12 months immediately preceding the commencement of the period of renewal as of the end of the third quarter (i.e., nine (9) months) immediately preceding the commencement of each 12 months of each renewal period.

4. Section VII(B) of original Rider A is amended as follows:

B. Invoice Documentation.

1. Generally. Provider shall submit monthly to MDOC an invoice for 1/12 of MDOC's estimate of the Department's total cost of the medications and services provided under this Agreement.

By the 20th day of each month, Provider shall submit to the Agreement Administrator, a monthly invoice for reconciliation of estimated cost to actual cost for the preceding month. The monthly financial package submitted by Provider shall reflect costs and expenses for the preceding month in a manner that is in accordance with generally accepted accounting principles and consistent with Provider's current practice.

2. Rebates and Discounts. Provider shall submit to MDOC, within twenty-one (21) days following the end of each contractual year (as opposed to calendar year) quarter, a written report ("the "Quarterly Rebate Report") specifying all rebates and discounts obtained by Provider from Provider's suppliers with respect to medications furnished by Provider to MDOC during the contractual year quarter that preceded the quarter in which Provider submits the report. The Quarterly Rebate Report shall, at a minimum, identify each medication as to which Provider obtained a rebate or discount and the amount of the rebate or discount as to that medication. At the same time Provider submits the Quarterly Rebate Report, Provider shall submit to MDOC an invoice crediting MDOC with the total amount of rebates and discounts shown on the Quarterly Rebate Report.