

PHARMACY SERVICES AGREEMENT

THIS AGREEMENT is effective the 9th day of October 2024 by and between Oklahoma County, a political subdivision of the state of Oklahoma on behalf of Oklahoma County Detention Center located at 201 North Shartel Avenue, Oklahoma City, OK 73102, (hereinafter referred to as "FACILITY") and Diamond Drugs, Inc., dba Diamond Pharmacy Services, and/or Diamond Medical Suppl, a Pennsylvania Corporation having principal offices at 645 Kolter Drive, Indiana, PA 15701-3570 (hereinafter referred to as "DIAMOND").

WHEREAS, FACILITY is obligated to provide healthcare services for its correctional patients;

WHEREAS, DIAMOND contracts to provide services to correctional healthcare services companies and correctional facilities;

WHEREAS, FACILITY wishes to engage DIAMOND to provide services to their correctional patients;

WHEREAS, DIAMOND wishes to provide such services to FACILITY as agreed to between the Parties;

WHEREAS, in consideration of the mutual agreements and covenants contained herein and other good and valuable consideration, receipt of which is hereby acknowledged, the Parties hereto, intending to be legally bound, hereby agree as follows:

2. DIAMOND RESPONSIBILITIES:

- a. DIAMOND agrees to provide prescription dispensing services, pharmacy benefit management services, software services, and medical supplies to FACILITY and to furnish all qualified personnel, equipment, materials and services that FACILITY requires to ensure compliance with state and federal law as well as the terms of this Agreement.
- b. DIAMOND shall provide Services in a prompt and timely manner, in accordance with the terms and conditions of this Agreement, in accordance with all applicable laws, rules and regulations, community standards of practice, and in accordance with all policies and procedures of FACILITY.
- c. DIAMOND shall dispense medications to the FACILITY's inmates with scheduled deliveries during normal business hours.
- d. DIAMOND shall provide emergency deliveries 24 hours per days 7 days per week any time an emergency occurs. DIAMOND shall provide emergency deliveries within 4 hours of receipt of FACILITY's emergency request in all cases except: (i) if the emergency request is for a medication that is not in stock at DIAMOND and is not readily available from DIAMOND's back-up pharmacies or a proximate acute care provider, then DIAMOND shall deliver the medication no later than the end of the business day following the date it receives the emergency request as long as the medication is available from DIAMOND's primary wholesaler; and (ii) if the emergency request is for a compounded product, DIAMOND shall deliver the product as soon as practically possible but in any event no later than 72 hours from DIAMOND's receipt of FACILITY's request for the product.

DIAMOND shall immediately notify FACILITY if an emergency delivery will not be made within 4 hours of the emergency request as provided for by subsection (a) or (b) above. DIAMOND shall not charge FACILITY an additional fee for any emergency delivery except as follows: DIAMOND may charge FACILITY a \$75 fee when FACILITY has requested emergency delivery of a medication that is included in FACILITY's e-box or electronic emergency dispensing system.

3. FACILITY RESPONSIBILITIES:

- a. To pay to DIAMOND all fees for services rendered as outlined in Attachment "A" to this Agreement.
- b. To furnish all legally required medication and product order information to DIAMOND on any Formulary and Non-Formulary Medications prescribed for inmates of the FACILITY.
- c. FACILITY acknowledges that some Pharmacy Services may be billable to separate agencies including but not limited to: Federal Bureau of Prison, U.S. Marshall Service, ICE, compensation, Medical Assistance, ADAP, other counties, or other "outside sources", depending on patient eligibility. If requested in writing by FACILITY, DIAMOND will submit eligible bills to such outside sources, and prescriptions will be billed at the Medicaid rate. In the event that any amounts billed to an outside source remain unpaid after sixty (60) days, FACILITY remains responsible for payment to DIAMOND. Such responsibility is independent of whether or not FACILITY has received payment from outside sources for any such charges.
- d. It is FACILITY's responsibility to provide DIAMOND all appropriate and accurate patient and billing information prior to submitting orders. Billing other agencies is provided by DIAMOND as a courtesy and DIAMOND will not be responsible for any third Party claims which are not invoiced accurately due to FACILITY's failure to provide the correct patient billing information.
- e. It is FACILITY's responsibility to verify its invoices monthly to assure claims were billed to the proper agency on a monthly basis and inform DIAMOND of any discrepancies within fifteen (15) days of receipt of invoices.
- f. FACILITY is responsible for all applicable sales, use, lease, ad valorem, and any other tax that may be levied or assessed by reason of this transaction, unless FACILITY provides a tax exemption certificate (blanket or transaction specific) to DIAMOND in a timely manner.
- g. Pay all invoices and other payments due to DIAMOND via EFT or to:

Diamond Drugs, Inc.
Diamond Pharmacy Services
645 Kolter Drive
Indiana, PA 15701

- 4. **EQUIPMENT** - In the event that a RFP or bid and bidding procedures require such, DIAMOND shall provide an adequate number of medication carts for each facility serviced to accommodate their respective needs, and one (1) fax machine that will be dedicated solely for use with operations related to DIAMOND's services. This equipment will remain the property of DIAMOND throughout performance of the terms of this Agreement. Upon termination or expiration of this Agreement, FACILITY agrees to return such equipment to DIAMOND within fifteen (15) days of service termination or expiration. FACILITY will be charged for any damages of said equipment while in FACILITY's possession up through DIAMOND's receipt of the returned equipment. If FACILITY fails to return the equipment within fifteen (15) days, FACILITY will be responsible for paying DIAMOND an amount equal the replacement cost for new equipment equivalent to the equipment retained by FACILITY.
- 5. **INTELLECTUAL PROPERTY** - FACILITY agrees that DIAMOND and its affiliated company SapphireHealth, LLC retains all rights, title, interest in and ownership, and reserves the right to use and control the use of its intellectual property rights in its assets including, but not limited to, its software, reporting packages and user documentation; operations, procedures and strategies; formulary and clinical services; manufacturer, wholesaler, group purchase, vendor contracts and resultant data and information; patient, prescription claim and drug utilization submission; trademarks and service marks. This Agreement creates no express or implied license for FACILITY to use such intellectual property for any purpose other than carrying out its responsibilities under this Agreement.

- 6. TERM AND TERMINATION** - The initial term of this Agreement shall commence on October 9, 2024, and continue for a period of five (5) years, at which point the contract shall automatically renew for consecutive five (5) year periods unless either Party provides notice of its intent not to renew this Agreement AT LEAST one hundred twenty (120) days prior to the automatic renewal date.

Either Party may terminate This Agreement for significant breach of the terms and conditions of this Agreement by the other party by using the following procedure provided that the non-breaching party shall deliver a detailed, written notice of such breach that allows the breaching Party forty-five (45) days to cure said breach. If the Breach is not cured to the reasonable satisfaction of the non-breaching Party within forty-five (45) days, this agreement shall terminate upon delivery, by the non-breaching Party, of a final written notice that the Breach has not been cured to the reasonable satisfaction of the non-breaching Party. DIAMOND has the right to terminate this Agreement immediately for payment delays of more than thirty (30) days past any invoice date. The Parties may, by mutual consent, terminate this Agreement at any time only under circumstances and terms mutually agreed upon. Terminations for convenience will not be permitted.

In the event that any subsequent State or Federal statute, regulation, or agency interpretation makes either party's right or obligations under this Agreement illegal or impractical, all other rights and obligations shall remain in force.

7. Medications Returned to DIAMOND for Credit:

In accordance with the terms outlined in Attachment "A", DIAMOND will provide FACILITY credit for "Eligible Drugs" returned to DIAMOND from FACILITY.

As used herein, the term "Eligible Drug" means, (i) a non-controlled oral solid medication; (ii) that was originally dispensed by DIAMOND to a patient/inmate at the FACILITY (iii) is sealed in unopened tamper-evident packaging and either individually packaged or packaged in unit-dose packaging; (iv) has not been compounded; (v) does not require refrigeration; (vi) returned with more than 90 days until the expiration date; (vii) was under the control of the FACILITY's medical personnel at all time and has not been released to the inmate population or labeled as "Keep on Person"; (ix) was properly stored at the FACILITY; (x) upon reasonable inspection by a DIAMOND pharmacist, the package does not appear to have been adulterated; and (xi) and is otherwise eligible for return and redispensing in accordance with applicable law.

8. INSURANCE, INDEMNIFICATION, AND FINES

- a. **Insurance** - Both DIAMOND and FACILITY shall maintain professional and general liability insurance coverage at a minimum in the amount of one million dollars per occurrence, and five million dollars aggregate, naming the other as an additional insured. This insurance will be fully applicable to all services rendered by Party under this Agreement subject to the normal terms and exclusions of the policy. Each Party will provide the other with a certificate evidencing that the insurance is in place upon this execution of this Agreement. Each policy will provide for at least thirty (30) days written notice before any cancellation or alteration in policy terms before any term can be changed, or the policy cancelled. Each Party agrees to send the other copies of any notices of cancellation or alteration, and that they will do so within ten (10) days of the receipt of any notice.
- b. **Indemnification** – Negligent Acts of Either Party - FACILITY agrees to indemnify, defend, and hold harmless DIAMOND, its agents, officers, and independent DIAMONDS individually or collectively, from any and all claims, demands, liabilities, loss, costs or expenses for any loss, damage or injury, caused by the negligent acts or omissions of FACILITY or any of its employees, subcontractors, and agents.

DIAMOND agrees to indemnify, defend, and hold harmless FACILITY, its agents, officers, and independent DIAMONDS individually or collectively, from any and all claims, demands, liabilities, loss, costs or expenses for any loss, damage or injury, caused by the negligent acts or omissions of DIAMOND or any of its employees, subcontractors and agents. This indemnification includes all costs and expenses, including reasonable attorney fees.

Either Party or any Party affected by this contract shall be entitled, at their own expense, to participate or have their agents or attorneys participate in the defense of any suit against the other where the Party wishing to participate has, or may have, an indemnification obligation to the other Party. Each understands and agrees that any settlement, compromise or consent judgment of any claim, loss or damage asserted against either Party, or anyone contracting under either Party who provided services under this Agreement, shall not be binding against the other, unless that Party has expressly approved the settlement, compromise or consent judgment in writing.

The indemnification and hold harmless provisions of this Agreement shall survive the termination of this Agreement for a period not to exceed that period upon which a claim for loss or damages could be brought against either DIAMOND or FACILITY under the statute of limitation applicable to any act or acts by either Party. If any complaint or litigation arising out of the terms and conditions of this Agreement is filed against either Party, the Party served will notify the other Party in writing by providing the other Party with a copy of the complaint or notice of claim at which point the indemnification provisions of this Agreement will become enforceable.

- c. **Indemnification for Civil Fines, Penalties or other Monetary Assessments** - Any fine, penalty or other monetary assessment ("Fines") issued against either Party by any State Board of Pharmacy, DEA, FDA, Facility, State, County or any other federal or state entity with jurisdiction over FACILITY shall be the responsibility of the Party whose conduct is the subject of such Fines, regardless of which Party to this Contract is named and against whom the Fine is actually assessed. Thus, FACILITY will indemnify Diamond with respect to any Fines assessed by the State Board of Pharmacy or other agency against DIAMOND based on the acts or omissions of the FACILITY; and Diamond will indemnify FACILITY with respect to any Fines assessed by the State Board of Pharmacy or other agency against FACILITY based on the acts or omissions of DIAMOND for non-compliance or arising from the failure of DIAMOND to provide services in accordance with this Agreement.

- 9. **NOTICE** - All notices, designations, consents, offers, acceptance or any other communication provided for herein required to be in writing will be given by registered, certified mail, return receipt requested, overnight courier addressed to the Parties as shown below:

FACILITY:	Oklahoma County Det. Center	DIAMOND:	Diamond Drugs, Inc.
	Attn:		Attn: Mark J. Zilner
	201 North Shartel Ave.		645 Kolter Drive
	Oklahoma city, OK 73102		Indiana, PA 15701

- . **GOVERNING LAW AND VENUE** - The laws of the Commonwealth of Pennsylvania shall govern this Agreement as to the interpretation, construction and performance of the Parties. Any dispute that should arise between the Parties as related to performance of this Agreement or in any way relating to this Agreement shall be resolved in the courts of Indiana County, Pennsylvania.

- 11. **AMENDMENTS** - This Agreement may be amended, changed or modified only in writing, signed by authorized representatives of each of the Parties hereto.

- 12. REPRESENTATIONS** - BOTH PARTIES will comply with all applicable laws and regulations related to providing services under this Agreement, including ensuring that Both Parties and all employees of BOTH PARTIES comply with any and all licensing requirements, any and all applicable environmental laws and regulations, any and all federal, state, and local regulations and all state non-discrimination requirements.
- 13. CONFIDENTIALITY** - The Parties acknowledge that in carrying out their obligations under this Agreement, the Parties may have to exchange or otherwise divulge Confidential Business information, including, but not limited to, FACILITY lists, vendor lists, pricing, proprietary procedures, software programs, and business processes, the formulary, etc. Confidential Information does not include: (i) information which, at the time of disclosure to the receiving party, is in the public domain; (ii) information which, after disclosure, becomes part of the public domain by publication or otherwise, except by breach of this Agreement; (iii) information which was in the receiving party's possession at the time of disclosure by the disclosing party, and which was not acquired, directly or indirectly, from the disclosing party; (iv) information which the receiving party can demonstrate resulted from its own research and development, independent of disclosure from the disclosing party; (v) information which the receiving party receives from third parties, provided such information was not obtained by such third parties from the disclosing party on a confidential basis; or (vi) information which is produced in compliance with applicable law or a court order, provided the other party is given reasonable notice of such law or order and an opportunity to attempt to preclude or limit such production.

The Party receiving such proprietary information SHALL NOT DISCLOSE such information to any third-Party individual organization or entity without the prior, express, written approval from the original Disclosing Party. Each Party certifies that they have policies and procedures in place that will protect the Disclosing Party from the re-Disclosure of any such Confidential Information.

DIAMOND and FACILITY each agree to maintain and ensure the confidentiality, privacy, and security of patient information to the extent required by law and each Party's policy. Without limiting the generality of the foregoing, The Parties agree to comply with the Health Insurance Portability and Accountability Act of 1996 with respect to the privacy and security of "protected health information" (as defined by HIPAA) created, transmitted, maintained or received pursuant to, or in connection with, the performance of DIAMOND obligations under this Agreement.

The Parties acknowledge that federal regulations relating to the confidentiality of individually identifiable health information require covered entities to comply with the privacy standards adopted by the U.S. Department of Health and Human Services as they may be amended from time to time (codified at 45 C.F.R. Parts 160 and 164) ("Privacy Standards"). The Privacy Standards require covered entities to ensure that business associates who receive confidential information in the course of providing services comply with certain obligations regarding the confidentiality of health information.

This Confidentiality section shall survive termination of this Agreement.

- 14. SEVERABILITY** - If any provision of this Agreement shall be held to be invalid or unenforceable for any reason, the remaining provisions shall continue to be valid and enforceable. If a court finds that any provision of this agreement is invalid or unenforceable, but that by limiting such provision it would become valid and enforceable, then such provision shall be deemed to be written, construed and enforced as so limited.
- 15. WAIVER OF CONTRACTUAL RIGHT** - The failure of either Party to enforce any provision of this Agreement shall not be construed as a waiver or limitation of that Party's right to subsequently enforce and compel strict compliance with every provision of this Agreement.
- 16. SCOPE OF AGREEMENT** - By execution of this Agreement, Both Parties agree to the terms and conditions set forth herein. This Agreement supersedes any and all other agreements, either oral or in writing, between the contracting Parties with respect to the subject matter covered by this Agreement, and no other agreement, statement, or promise relating to the subject matter of this Agreement that is not

contained in this Agreement shall be valid or binding unless in writing as an amendment and signed by Both Parties.

17. COOPERATION - Both Parties agree to use their best efforts to cooperate with each other in providing all information pertaining to all legal and regulatory compliance requirements when providing services under this Agreement, and will duly investigate and comply with any complaints brought to the other's attention by the other Party immediately. DIAMOND and FACILITY agree to work with each other in good faith to rectify any problems that may arise between Parties.

18. STATUS OF PARTIES - Neither DIAMOND nor FACILITY is for any purpose an agent, partner, or employee of the other. This Agreement does not constitute a joint venture between the Parties. It is agreed that in performing pharmacy services pursuant to this Agreement, DIAMOND and its employees will, at all times, be an independent contractor of FACILITY.

19. FORCE MAJEURE - Neither Party shall be in breach of this Agreement if the failure to perform arises out of causes beyond the control and without the fault of that Party. Such causes may include, but are not restricted to strikes or labor disputes, inmate disturbances, acts of God, acts of civil and military authority, acts of public enemy, fires, explosions, earthquakes, supplies, manufacturers, and floods. Such non-performing Party shall immediately notify the other Party in writing of its inability to perform by specifying all reasons constituting the cause or causes beyond its control and without its fault.

IN WITNESS WHEREOF, intending to be legally bound, the Parties have caused their authorized representative to execute this Agreement on the date set forth above.

DIAMOND:

FACILITY:

**Diamond Drugs, Inc.,
a Pennsylvania FACILITY, dba Diamond Pharmacy
Services**

Oklahoma County Detention Center

By: _____

By: _____

Title: _____

Title: _____

Date: _____

Date: _____

ATTACHMENT A

Diamond Pharmacy Services

Pricing Proposal

To the

Oklahoma County Detention Center (OCDC)

October 1, 2024

Each prescription and stock piece will be billed as follows:

AAC plus 5% plus a dispensing fee of \$2.80

Regarding the Above Price:

- ◆ Actual Acquisition Cost (AAC) is defined as Diamond's direct upfront wholesaler medication cost at the time of dispensing on patient specific and stock medications
- ◆ Maintenance medications are dispensed in a routine 30-day supply
- ◆ Acute medications are dispensed in the quantity as written by the prescriber up to a 30-day supply
- ◆ Patient specific medications and prescription stock oral solids are dispensed in 30-count blister cards with one (1) unit per bubble. OTC stock may be purchased in the original manufacturer bottle. Non-oral solid stock medications are distributed as the individual purchase quantity
- ◆ All rates are based on Diamond being OCDC's exclusive pharmacy provider (other than those medications sourced locally for urgent needs) for medication dispensing and pharmacy program management services.

The Above Bid Rate Includes:

- ◆ Patient specific prescription dispensing, pharmacy benefit management, stock distribution services, and standard delivery of medication to a single location at OCDC from Diamond
- ◆ Two Diamond pharmacists serving as primary contacts and account managers
- ◆ A pharmacist for up to quarterly on-site inspections where required by law or NCCHC accreditation. All other inspections are billed as a pass-through cost for time and travel if provided by Diamond; or as billed to Diamond if provided by a local pharmacist
- ◆ Pharmacist participation in P&T meetings via teleconference or webinar, if requested
- ◆ 24-hour a day, 7-day a week, and 365-day a year (24/7/365) telephone consulting
- ◆ Medication cart(s) provided on loan for the duration of the contract (when all medications are purchased from Diamond) if current carts are unsafe or have fallen into a state of disrepair as determined by Diamond. The number and type of carts, if provided, is based on the facility census and at the discretion of Diamond.

- ◆ A fax machine is provided on loan for the duration of the contract unless using an online ordering program. Model and number of fax machine(s) based on facility size and as determined by Diamond
- ◆ OCDC can purchase replacement toner from Diamond or elsewhere at OCDC's expense
- ◆ No additional software charges for electronic ordering and electronic medication administration records (eMARs) if you choose our Sapphire computerized physician order entry (CPOE) and eMAR solution when all orders are submitted via Sapphire and all medications are purchased from Diamond
- ◆ No additional charges for Sapphire CPOE/eMAR routine software updates, initial jail management system (JMS) interfacing, and 24/7 IT support. XXXX will be responsible for charges related to appropriate hardware, IndeTrust USB EPCS token(s) (for electronic prescribing of controlled substances), and internet access
- ◆ No additional charges for Sapphire CPOE/eMAR initial training. Initial training consists of virtual support by a trained Sapphire Implementation Specialist for a period of two (2) hours the week before eMAR go-live. Additional training can be requested at the follow rates: \$75.00 per hour for virtual training; and onsite training is billed at \$3,000 per trainer per week (40hrs over 5 days) plus expenses.
- ◆ Accurate and meaningful monthly, routine, and ad hoc reports
- ◆ Access to Diamond's free web-based electronic medication check-in and credit program
- ◆ Access to Diamond's free web-based Online Reporting Program (ORP) and utilization dashboard
- ◆ No additional cost for one hand held tethered scanner provided on loan, to be used for electronic medication reconciliation (check-in) and medication return processing, if requested
- ◆ Should the state board of pharmacy or other regulatory agencies prohibit Diamond from providing any products or services at no charge, we will provide these services as a pass-through charge and renegotiate the bid rate, if necessary

Additionally:

- ◆ If OCDC is seeking a comprehensive electronic health record (EHR)/electronic medical record (EMR) solution, Diamond offers Sapphire EMR/EHR at a separate negotiable price
- ◆ For any pharmacy interfaces, including those for prescription transmission, with EMRs/EHRs other than Sapphire, or third-party vendors, Diamond will be responsible only for standard interface charges and standard programming required on Diamond's end of the interface provided the requirements are in HL7 version 2.3 or NCPDP XML accepted standards. Any other interfaces or requirements beyond these and other currently established specifications will be mutually agreed upon and billed as a pass-through charge. Interfacing as well as any other costs with automated dispensing machines are outside the scope of this agreement and will be separately negotiated
- ◆ In the event an EHR/EMR, JMS company, switch company, or any other company charges a transmission, submission, or other fee or charge, it will be billed as a pass-through charge

- ◆ Diamond will retain and reserves all rights, title, use, control, interest in and ownership of its assets including, but not limited to, its software, reporting, packages, and user documentation; operations, procedures, and strategies; formulary and clinical services; manufacturer, wholesaler, group purchase, and vendor contracts and resultant data and information; patient, claims, and drug utilization information; trademarks and service marks
- ◆ Backup pharmacy services will be billed as a pass-through charge at the contracted backup pharmacy's rate, as billed through our arranged pharmacy benefit management (PBM) company, plus the backup pharmacy's delivery charge or on-call charge, or the taxi or courier charge, if applicable
- ◆ If OCDC requires fewer days in your routine supply of maintenance medications, or if you require packaging other than blister cards, a higher rate will be negotiated
- ◆ When needed, Specialty Pharmaceutical Items - items that are not available through primary wholesalers that must be ordered through specialty channels, drop shipped, and/or that require pharmacist or other intervention to procure, such as, but not limited to plasma products, factor products, specialty vaccines, medications with REMS requirements, limited distribution medications, and chemotherapy agents are invoiced at the price charged to Diamond by our wholesaler or from the specialty pharmacy plus one hundred and fifty dollars (\$150.00) per prescription
- ◆ When needed, Compounded IV Medications are billed at the Average Wholesale Price (AWP) per ingredient as published by Medi-Span, plus five dollars (\$5.00) per piece
- ◆ When needed, non-sterile compounded medications will be billed at Diamond's Actual Acquisition Cost per ingredient plus compounding labor plus twenty-five dollars (\$25.00) per piece
- ◆ Optional Baggie Strip Packaging: Strip packaging is an optional solution provided by Diamond at a separately negotiated rate based on project specifications and if OCDC is interested
- ◆ Optional APS Automated Dispensing Machines: Automated onsite dispensing is an optional dispensing solution provided by Diamond at a separately negotiated rate based on project specifications, Board of Pharmacy approval, and if OCDC is interested
- ◆ Diamond will work with any covered entity to establish and manage a 340B program and will negotiate an agreement directly with the entity outside the scope of this agreement. Any medications moved to a 340B program during the term of this agreement, must be mutually agreed upon by both parties.
- ◆ If any medications are requested to be moved off-contract from a source other than Diamond during term of this agreement, it will be upon mutual agreement of OCDC and Diamond and a higher dispensing fee will be negotiated
- ◆ If the services of a reverse distributor are needed for the disposition of controlled substances or other medications or drug devices, those charges are at OCDC's expense through a direct contract with OCDC and the reverse distributor
- ◆ If the services of a waste company become necessary for the disposition of hazardous and non-hazardous pharmaceutical waste, those charges are at OCDC's expense a through direct contract with OCDC and the waste company

- ◆ Shipping costs are included as part of our bid rate. Diamond utilizes a preferred shipping partner, if a common carrier other than our preferred shipping partner is requested, or if deliveries are required to multiple locations within a correctional complex, or if medications are shipped to correctional institutions other than to OCDC, those shipping costs are billed a pass-through charge
- ◆ Any common carrier or courier fuel charges that are billed to Diamond are invoiced to OCDC as a pass-through cost, without any additional markup from Diamond, on that month's billing cycle.
- ◆ Diamond will serve as the pharmacy benefit manager of record and will maintain a drug formulary, will manage pharmaceutical expenditures, be in control of the prescription claims, and may benefit exclusively through any subsequent discounts, incentives, and remunerations generated due to these services.

Credit on Returns

Diamond will provide credit on oral solid medications in full and partial blister cards at 100% of the actual acquisition cost of the medication at the time of dispensing less a one-dollar (\$1.00) processing fee per returned card.

When and where permitted by the State Board of Pharmacy and the U.S. Food and Drug Administration (FDA), Diamond offers credit on oral solid medications in full and partial blister cards returned to us, provided the medications:

- ◆ Remain in their original sealed blister packs
- ◆ Have been stored under proper conditions
- ◆ Are not defaced or have been adulterated
- ◆ Are not within 4 months of expiration
- ◆ Are packed as one full unit per blister
- ◆ Have not been released to the inmate population or labeled/dispensed as keep on person
- ◆ Are not controlled substances
- ◆ Are not refrigerated items
- ◆ Are not dispensed in strip packaging or vials
- ◆ Are not specialty, REM's, or limited distribution medications
- ◆ Have not been billed to a private insurance, third party, USM, ICE, 340B, or Medicaid

Diamond is responsible for monthly shipping costs for all returned medications and provides OCDC with prepaid preaddressed FedEx Package Returns Program (PRP) or UPS Authorized Return Service (ARS) labels. These labels are simply affixed to the return box, which is handed to express delivery personnel during their normal pickup/delivery to your facility.

Controlled substance medications and opened partial stock medications cannot be credited per federal regulations. Credits are issued on medications based upon the professional judgment of a Diamond pharmacist and not exceeding the current market value of the medication. Liquids, injections, topicals, medications dispensed in vials, medications dispensed in strip packaging, medications dispensed in original manufacturer unit dose packaging, and inhalers are not eligible

for credit. Blister cards that are dispensed with half tablets or with more than one single unit per individual bubble of the blister card are not eligible for return. Oral solid medications dispensed as Brand Medically Necessary or Dispense as Written will be credited at the actual acquisition cost of the generic equivalent. Brand name medications will not be eligible for credit upon return to Diamond once a generic equivalent has come to market or has been approved by the FDA. Credit will only be issued on medications that Diamond currently stocks and can be redistributed to other clients for administration prior to expiring. Diamond will abide by all current and future Board of Pharmacy and Federal provisions regarding medication reuse and will only credit medications that are permitted per reuse, these regulations will automatically amend what is proposed in this agreement. Returns received at Diamond, during the term of the contract, by the 15th of each month will be credited on the next invoice for that calendar month. Credit memos will be deducted from payment of the oldest outstanding invoices. Medications ineligible for credit will not be returned.

Payment Terms

- ◆ Invoicing will occur monthly. Payment shall be made by check or EFT (Electronic Funds Transfer in the form of ACH or Wire) from OCDC to Diamond within thirty days of receipt of invoice by OCDC. A finance charge of one and one quarter percent (1.25%) per month will be charged on all amounts received thirty days past the end of the billing cycle
- ◆ Hepatitis C medications are invoiced twice monthly and payment terms are net 30-days
- ◆ OCDC is responsible for all applicable sales, use, lease, ad valorem, and any other tax that may be levied or assessed by reason of this transaction, unless OCDC provides a tax exemption certificate (blanket or transaction specific) to Diamond in a timely manner
- ◆ Payment by credit card or purchase card will be assessed a three percent (3%) convenience fee
- ◆ Diamond's dispensing fees and return processing fee will remain fixed and firm through September 30, 2025, and will be increased on October 1, 2025 and each October 1st thereafter by three and one-half percent (3.5%)
- ◆ Billing disputes must be requested within fifteen (15) days from the time invoiced was received by OCDC. Any items not in dispute are required to be paid and are not to be withheld.
- ◆ In the event that local, state, or federal laws, rules, or regulations change that affect the services offered either operationally or financially, the parties shall work together in good faith to negotiate new rates
- ◆ Services and programs outside the specifications of this document, including, but not limited to, prescriptions billed via Medicaid, 340B, etc. will have any additional costs, management fees, or dispensing fees, negotiated in good faith between OCDC and Diamond for the provision of those unique services that are not listed herein.