



# Pharmaceutical Wholesaler Services Contract

Minnesota Multistate Contracting Alliance for Pharmacy

SWIFT Contract No.:

This Contract is between the State of Minnesota, acting through its Minnesota Multistate Contracting Alliance for Pharmacy ("State" or "MMCAP") and *Cardinal Health 110, LLC, Cardinal Health 411, Inc. and Cardinal Health 107, LLC, whose designated business address is 7000 Cardinal Place, Dublin, Ohio 43017 (collectively, "WHOLESALER")*.

## Recitals

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1. Under Minn. Stat. § 16C.03 and § 471.59, the Commissioner of Administration, on behalf of MMCAP, is empowered to engage such assistance as deemed necessary.
2. MMCAP, a group purchasing organization as defined in 42 U.S.C. § 1320a-7b(b)(3)(c), is in need of pharmaceutical wholesaler to distribute pharmaceuticals, OTCs, nutritionals, vaccines (other than influenza vaccines), and other products to its members.
3. The WHOLESALER represents that it is duly qualified and agrees to perform all services described in this Contract to the satisfaction of MMCAP.

## Contract

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### 1. Term of Contract and Exhibits

- 1.1 **Effective date:** November 1, 2014, or the date MMCAP obtains all required signatures under Minn. Stat. § 16C.05, subd. 2, whichever is later. **The WHOLESALER must not begin work hereunder until this Contract is fully executed and the WHOLESALER has been notified by MMCAP's Authorized Representative to begin the work. Further, the pricing and benefits offered hereunder will not be available until the effective date as set forth above.**
- 1.2 **Expiration date:** October 31, 2016, or until all obligations have been satisfactorily fulfilled, whichever occurs first. The Contract may be extended for up to an additional three (3) years, at increments determined by MMCAP, on written acceptance by both parties, for a total term not to exceed five (5) years.
- 1.3 **Survival of terms.** The following clauses survive the expiration or cancellation of this Contract: 2. Definitions; 5. Fees and Payment; 6. Conditions of Payment; 8. Notices; 10. Indemnification; 11. Audits; 12. Government data practices; 13. Intellectual Property and Data Rights; 17. Publicity and endorsement; 18. Governing law, jurisdiction, and venue; 19. Data disclosure; 30. Severability; and 36. State Terms and Participation.
- 1.4 **Attachments.** The following Attachments are attached and incorporated into this Contract, and are set forth in their order of precedence:

- 1.4.1 *Attachment A, Scope of Work*
- 1.4.2 *Attachment B, Discounts and Fees*
- 1.4.3 *Attachment C, Service Fee Discount Matrix*
- 1.4.4 *Attachment D, Wholesaler's Returned Goods Policy*
- 1.4.5 *Attachment E, Member Participating Agreements (MPA), and its Exhibits, if applicable*

## 2. Definitions

To the extent that they do not diminish, derogate, or otherwise modify the express language set forth in this Contract, the definitions set forth in any exhibits or attachments, as attached and incorporated herein, shall apply to the Contract document.

## 3. Time

The WHOLESALER must comply with all the time requirements described in this Contract. In the performance of this Contract, time is of the essence.

## 4. Wholesaler's duties

The WHOLESALER, who is not a State employee, will perform the duties specified in *Attachment A, Scope of Work*, which is attached and incorporated into this Contract.

## 5. Fees and Payment

5.1 **Additional Fees.** Subject to *Attachment B, Discounts and Fees* no fee, percentage, or other cost may be added to the products purchased under this Contract unless the fee, percentage, or cost is defined and approved in writing by MMCAP and a formal amendment is executed by the parties.

5.2 **Fees.** Subject to *Attachment C, Service Fee Discount Matrix* as attached and incorporated herein, all changes to the MMCAP Service Fee Matrix will be communicated to MMCAP in writing with a minimum of five (5) business days' notice prior to the effective date of the changes. WHOLESALER service fees may only change on a quarterly or less frequent basis.

5.3 **Federal funds.** Payments under this Contract may be made from federal funds. The WHOLESALER is responsible for compliance with all federal requirements imposed on these funds and accepts full financial responsibility for any requirements imposed by the WHOLESALER's failure to comply with federal requirements.

## 6. Conditions of payment

All services provided by the WHOLESALER under this Contract must be performed to the reasonable satisfaction of MMCAP and the MMCAP Member, and in accordance with all applicable federal, state, and local laws, ordinances, rules, and regulations. The WHOLESALER will not receive payment for work found by MMCAP (as directed by the MMCAP Member) to be unsatisfactory or performed in violation of federal, state, or local law.

## 7. Authorized Representative

MMCAP's Authorized Representative is Ms. Debra López-Burandt, MMCAP Wholesaler Coordinator, 112 Administration Building, 50 Sherburne Avenue, St. Paul, MN 55155, 651-201-3053, [debra.lopez-burandt@state.mn.us](mailto:debra.lopez-burandt@state.mn.us) or her successor or designee, and has the responsibility to monitor the WHOLESALER's performance and the authority to accept the services provided under this Contract. If MMCAP's Authorized Representative changes at any time during this Contract, MMCAP must immediately notify the Wholesaler.

The WHOLESALER's Authorized Representative is Lisa Penn Director, National Accounts at the following business address and telephone number: 7000 Cardinal Place, Dublin, OH 43017, 614-553-3604 lisa.penn@cardinalhealth.com, or his/her successor or designee. If the WHOLESALER's Authorized Representative changes at any time during this Contract, the WHOLESALER must immediately notify MMCAP.

## 8. Notices

If one party is required to provide legal notice or notice under the terms of the Contract to the other, such notice will be in writing and will be effective upon dispatch. Delivery shall be by certified United States mail, or by email or facsimile transmission provided the receipt of the transmission is confirmed by the receiving party. Either party must notify the other of a change in address for notification purposes. All notices should be addressed as follows:

MMCAP Wholesaler Coordinator  
Minnesota Multistate Contracting Alliance for  
Pharmacy  
112 Administration Building  
50 Sherburne Avenue  
St. Paul, MN 55155  
Fax: 651-201-3053

VP, National Accounts  
With a copy to: General Counsel  
Cardinal Health 110, LLC  
Cardinal Health 411, Inc.  
Cardinal Health 107, LLC  
7000 Cardinal Place  
Dublin, OH 43017

## 9. Assignment, amendments, waiver, and Contract complete

9.1 **Assignment.** The WHOLESALER may neither assign nor transfer any rights or obligations under this Contract without the prior consent of MMCAP and a fully executed assignment agreement, executed and approved by the same parties who executed and approved this Contract, or their successors in office. MMCAP may not assign or transfer any rights or obligations under this Contract to any entity outside the State of Minnesota executive branch, without the prior consent of WHOLESALER and a fully executed assignment agreement, executed and approved by the same parties who executed and approved this Contract, or their successors in office.

9.2 **Amendments.** Any amendment to this Contract must be in writing and will not be effective until it has been executed and approved by the same parties who executed and approved the original Contract, or their successors in office.

9.3 **Extraneous Agreements.** The WHOLESALER shall not enter into any additional agreement, with any MMCAP Member, arising from this Contract for similar services, or amend this Contract in any way, without the written authorization of MMCAP's managing director.

9.4 **Waiver.** If either party fails to enforce any provision of this Contract, that failure does not waive the provision or its right to enforce it.

9.5 **Contract complete.** This Contract contains all negotiations and agreements between MMCAP and the WHOLESALER. No other understanding regarding this Contract, whether written or oral, may be used to bind either party.

## 10. Indemnification; Warranty

The WHOLESALER must indemnify, save, and hold MMCAP and MMCAP Member, including their agents, and employees harmless from any third party claims or causes of action, including attorneys' fees incurred by MMCAP or its MMCAP Member, arising out of the performance of this Contract by the WHOLESALER or the WHOLESALER's agents or employees. This clause will not be construed to bar any legal remedies the WHOLESALER may have for MMCAP's or the MMCAP Member's failure to fulfill its obligations under this Contract. Pursuant to the Minnesota Constitution Article XI, Section 1, MMCAP is not permitted to indemnify the WHOLESALER.

WHOLESALE DISCLAIMS ALL WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY, NON-INFRINGEMENT OR FITNESS FOR A PARTICULAR PURPOSE. IN NO EVENT WILL WHOLESALE BE LIABLE TO THE STATE, MMCAP, ANY MMCAP MEMBER OR ANY MMCAP PARTICIPATING FACILITY FOR ANY INCIDENTAL, CONSEQUENTIAL OR SPECIAL CLAIMS, LIABILITIES OR DAMAGES.

WHOLESALE will transfer to MMCAP and MMCAP Member (on a non-exclusive basis) any representations and warranties made by the manufacturers of the products to the extent that such representations and warranties are assignable by WHOLESALE, and will cooperate with all reasonable requests made by MMCAP and/or MMCAP Member to enforce such representations and warranties against such manufacturers. Notwithstanding anything to the contrary herein, WHOLESALE reserves its own rights under such representations and warranties made by such manufacturers and the remedies available to it for any breach of such representations and warranties by the manufacturers.

## 11. Audits

- 11.1 **State Audit.** Under Minn. Stat. § 16C.05, subd. 5, the WHOLESALE's books, records, documents, and accounting procedures and practices relevant to this Contract are subject to examination by the State, MMCAP, and/or the State Auditor or Legislative Auditor, as appropriate, for a minimum of six (6) years from the end of this Contract.
- 11.2 **Invoice and Pricing Audit.** MMCAP and MMCAP Members served by this Contract may periodically audit WHOLESALE to determine the validity of invoice pricing. Such audits may be conducted only during ordinary business hours and upon reasonable notice.
- 11.3 **Costs.** WHOLESALE, MMCAP, and MMCAP Members shall each be responsible for its own costs associated with any audit, including costs related to the production of records and/or other documents requested by the other party.

## 12. Government data practices

- 12.1 **Data Practices Act.** The WHOLESALE and State must comply with the Minnesota Government Data Practices Act, Minn. Stat. ch. 13, as it applies to all data provided by the State under this Contract, and as it applies to all data created, collected, received, stored, used, maintained, or disseminated by the WHOLESALE under this Contract. The civil remedies of Minn. Stat. § 13.08 apply to the release of the data governed by the Minnesota Government Practices Act, Minn. Stat. ch. 13, by either the WHOLESALE or the State.
- 12.2 **Notification.** If the WHOLESALE receives a request to release the data referred to in this clause, the WHOLESALE must immediately notify and consult with MMCAP's Authorized Representative as to how the WHOLESALE should respond to the request. The WHOLESALE's response to the request shall comply with applicable law.
- 12.3 **Release of MMCAP data.** Except as may be required by Minnesota Data Practices Act, Minn. Stat. Ch. 13, or as provided in Section 13, WHOLESALE shall not release to any third party any MMCAP customer data, sales transaction data, DEA/HIN information, contract pricing, EDI transaction data, reverse distribution data, or payment data.

## 13. Intellectual Property and Data Rights.

- 13.1 **MMCAP Ownership.** MMCAP owns all rights, title, and interest in MMCAP customer data, sales transaction data, DEA/HIN information (subject to third-party rights), contract pricing, EDI transaction data, reverse distribution data, and payment data, including copyrights and trade secrets contained therein. MMCAP grants to WHOLESALE an unlimited, non-revocable, nontransferable, fully paid license, for the term of this Contract, to (i) release state specific data



to an MMCAP Member's State primary contact; (ii) release any of the above data to product manufacturers, when necessary for the performance of this Contract or as required by WHOLESALER's agreements with such product manufacturers; (iii) to release any of the above data to other MMCAP-approved third parties, when necessary for the performance of this Contract; (iv) to provide MMCAP Member purchase data to aggregators, including IMS Health and NDC Health, subject to WHOLESALER's reasonable efforts to require such data aggregators to protect any identifiable data from discovery by another third party; and (v) to provide MMCAP Member purchase data to other group purchasing organizations of which the MMCAP Member is also a member, provided such data will not include MMCAP-identifiable data. Any MMCAP identifiable data provided hereunder to a third party must identify the data as MMCAP data and subject to Minn. Stat. Ch. 13. WHOLESALER hereby agrees that in the event that MMCAP or an MMCAP Member requests in writing that its purchase data be kept confidential, such data will not be provided to third party aggregators.

- 13.2 **WHOLESALER Ownership.** WHOLESALER owns all rights, title, and interest to any aggregated data not identifiable as arising from this Contract and any other intellectual property created for or presented to MMCAP. WHOLESALER grants to MMCAP an unlimited, non-revocable, non-transferable, fully paid, perpetual license, to use all intellectual property created for or presented to MMCAP under this Contract.
- 13.3 **Pre-Existing Intellectual Property.** MMCAP and WHOLESALER shall each retain ownership of, and all right and, title and interest in and to, their respective pre-existing intellectual property. WHOLESALER grants to State an unlimited, royalty-free, paid up, perpetual, non-exclusive, irrevocable, non-transferable license to use and modify any pre-existing WHOLESALER intellectual property, including marketing materials and materials contained in solicitation responses provided by WHOLESALER to MMCAP or an MMCAP Member. The aforementioned license is solely for use by MMCAP and MMCAP Members, and their agents related to an internal business or governmental purposes.
- 13.4 **Intellectual Property Warranty and Indemnification.** Except as otherwise set forth below, WHOLESALER warrants that any materials, software or products produced by WHOLESALER will not infringe upon or violate any patent, copyright, trade secret, or any other proprietary right of any third party. In the event of any such claim by any third party against MMCAP, MMCAP will promptly notify WHOLESALER. WHOLESALER, at its own expense, will indemnify; defend to the extent permitted by the Minnesota Attorney General's Office, and hold harmless MMCAP against any loss, cost, expense, or liability (including reasonable legal fees) arising out of such a claim, whether or not such claim is successful against MMCAP.
- 13.4.1 If such a claim has occurred, or in the WHOLESALER's opinion is likely to occur, the WHOLESALER will either procure for MMCAP the right to continue using the materials or products or replacement or modified materials or products. If an option satisfactory to MMCAP is not reasonably available, MMCAP will return the materials or products to the WHOLESALER, upon written request of the WHOLESALER and at the WHOLESALER's expense. This remedy is in addition to any other remedy provided by law.
- 13.4.2 In the event of a third party claim of infringement by any material, software or product provided by WHOLESALER or utilized by WHOLESALER in the performance of this Contract, but produced by a third party, WHOLESALER's indemnification obligations set forth in Section 13.4 shall apply to the extent that the third party's indemnification obligation to the WHOLESALER is available to MMCAP or WHOLESALER will assist MMCAP in tender of such claim directly to the manufacturer of such material, software or product.

#### 14. Insurance Requirements

A. WHOLESALER shall not commence work under this Contract until they have obtained all the insurance described below and MMCAP has approved such insurance. WHOLESALER shall maintain such insurance in force and effect throughout the term of this Contract

B. WHOLESALER is required to maintain and furnish satisfactory evidence of the following insurance policies:

1. **Workers' Compensation Insurance:** Except as provided below, WHOLESALER must provide Workers' Compensation insurance for all its employees and, in case any work is subcontracted, WHOLESALER will require the subcontractor to provide Workers' Compensation insurance in accordance with the statutory requirements of the State of Minnesota, including Coverage B, Employer's Liability. Insurance **minimum** limits are as follows:

\$100,000 – Bodily Injury by Disease per employee  
 \$500,000 – Bodily Injury by Disease aggregate  
 \$100,000 – Bodily Injury by Accident

If Minnesota Statute 176.041 exempts WHOLESALER from Workers' Compensation insurance or if the WHOLESALER has no employees in the State of Minnesota, WHOLESALER must provide a written statement, signed by an authorized representative, indicating the qualifying exemption that excludes WHOLESALER from the Minnesota Workers' Compensation requirements.

If during the course of this Contract the WHOLESALER becomes eligible for Workers' Compensation, the WHOLESALER must comply with the Workers' Compensation Insurance requirements herein and provide MMCAP with a certificate of insurance.

2. **Commercial General Liability Insurance:** WHOLESALER is required to maintain insurance protecting it from claims for damages for bodily injury, including sickness or disease, death, and for care and loss of services as well as from claims for property damage, including loss of use which may arise from operations under this Contract whether the operations are by the WHOLESALER or by a subcontractor or by anyone directly or indirectly employed by the WHOLESALER under this Contract Insurance **minimum** limits are as follows:

\$5,000,000 – per occurrence  
 \$5,000,000 – annual aggregate

The following coverages shall be included:

Premises and Operations Bodily Injury and Property Damage  
 Personal and Advertising Injury  
 Blanket Contractual Liability  
 Other; if applicable, please list \_\_\_\_\_

State of Minnesota named as an Additional Insured, to the extent permitted by law

3. **Products and Completed Operations Liability Insurance:** WHOLESALER is required to maintain Products/Completed Operations Liability insurance. WHOLESALER may self-insure or self-administer all or any portion of the required insurance, and to the extent WHOLESALER does self-insure, such insurance will not be deemed to exceed the scope of coverage and/or limits that would have been provided in an actual policy of insurance that satisfies this insurance requirement. Insurance minimum limits are \$5,000,000 annual aggregate.

4. **Security and Privacy Liability Insurance:** Wholesaler is required to maintain Security and Privacy Liability insurance, including coverage for failure to protect confidential information and failure of the security of Wholesaler's computer systems which results in unauthorized access to MMCAP or MMCAP Member data. Wholesaler may self-insure and self-administer all or any portion of the required Security and Privacy Liability Insurance.

\$1,000,000 - per claim

\$1,000,000 - annual aggregate

5. **Commercial Automobile Liability Insurance:** WHOLESALER is required to maintain insurance protecting it from claims for damages for bodily injury as well as from claims for property damage resulting from the ownership, operation, maintenance or use of all owned, hired, and non-owned autos which may arise from operations under this Contract, and in case any work is subcontracted WHOLESALER will require the subcontractor to maintain Commercial Automobile Liability insurance. Insurance **minimum** limits are as follows:

\$2,000,000 – per occurrence Combined Single limit for Bodily Injury and Property Damage

In addition, the following coverages should be included:

Owned, Hired, and Non-owned Automobile

C. Additional Insurance Conditions:

- Any deductible will be the sole responsibility of WHOLESALER..
- WHOLESALER's policy(ies) shall be primary insurance to any other valid and collectible insurance available to MMCAP with respect to any claim arising out of WHOLESALER's performance under this Contract;
- If WHOLESALER receives a cancellation notice from an insurance carrier affording coverage herein, WHOLESALER agrees to notify MMCAP within five (5) business days with a copy of the cancellation notice, unless WHOLESALER's policy(ies) contain a provision that coverage afforded under the policy(ies) will not be cancelled without at least thirty (30) days advance written notice to MMCAP;
- WHOLESALER is responsible for payment of related insurance premiums and deductibles;
- If WHOLESALER is self-insured for Workers' Compensation, a Certificate of Self-Insurance must be attached;
- WHOLESALER shall obtain insurance policy(ies) from insurance company(ies) having an "AM BEST" rating of A- (minus); Financial Size Category (FSC) VII or better, and authorized to do business in the State of Minnesota; and
- An Umbrella or Excess Liability insurance policy may be used to supplement the WHOLESALER's policy limits to satisfy the full policy limits required by this Contract.

- D. MMCAP reserves the right to immediately terminate this Contract if WHOLESALER is not in compliance with the insurance requirements and retains all rights to pursue any legal remedies against WHOLESALER.

- E. The successful responder is required to submit Certificates of Insurance acceptable to MMCAP as evidence of insurance coverage requirements prior to commencing work under this Contract.

**15. Debarment by State, its departments, commissions, agencies, or political subdivisions**

WHOLESALE certifies that neither it nor its principals is presently debarred or suspended by the State, or any of its departments, commissions, agencies, or political subdivisions. WHOLESALE's certification is a material representation upon which this Contract award was based. WHOLESALE shall provide prompt written notice to MMCAP's Authorized Representative if at any time it learns that this certification was erroneous when submitted or becomes erroneous by reason of changed circumstances.

**16. Certification regarding debarment, suspension, ineligibility, and voluntary exclusion**

Federal money will be used or may potentially be used to pay for all or part of the work under this Contract, therefore WHOLESALE certifies that it is in compliance with federal requirements on debarment, suspension, ineligibility and voluntary exclusion specified in the solicitation document implementing Executive Order 12549. WHOLESALE's certification is a material representation upon which this Contract award was based.

**17. Publicity and endorsement**

**17.1 Publicity.** Any publicity regarding the subject matter of this Contract must identify MMCAP as the sponsoring agency and must not be released without prior written approval from MMCAP's Authorized Representative. For purposes of this provision, publicity includes notices, informational pamphlets, press releases, research, reports, signs, and similar public notices prepared by or for the WHOLESALE individually or jointly with others, or any subcontractors, with respect to the program, publications, or services provided resulting from this Contract.

**17.2 Endorsement.** The WHOLESALE must not claim that MMCAP, the State of Minnesota, or any Member State endorses its products or services, nor may MMCAP claim that the WHOLESALE endorses its products or services.

**18. Governing law, jurisdiction, and venue**

Minnesota law, without regard to its choice-of-law provisions, governs this Contract. Venue for all legal proceedings out of this Contract, or its breach, must be in the appropriate state court with competent jurisdiction in Ramsey County, Minnesota. Except to the extent that the provisions of this Contract are clearly inconsistent therewith, this Contract will be governed by the Minn. Stat. § 336, the Uniform Commercial Code (UCC) as adopted by the State of Minnesota. Parties acknowledge that the predominant purpose of this Contract is for the provision of goods.

**19. Data disclosure**

Under Minn. Stat. § 270C.65, subd. 3 and other applicable law, the WHOLESALE consents to disclosure of its social security number, federal employer tax identification number, and/or Minnesota tax identification number, already provided to the State, to federal and state agencies, and state personnel involved in the payment of state obligations. These identification numbers may be used in the enforcement of federal and state laws which could result in action requiring the WHOLESALE to file state tax returns, pay delinquent state tax liabilities, if any, or pay other state liabilities.

**20. Payment to subcontractors**

To the extent applicable, pursuant to Minn. Stat. § 16A.1245, the prime WHOLESALE must pay all subcontractors, less any retainage, within 10 calendar days of the prime WHOLESALE's receipt of payment from the State for undisputed services provided by the subcontractor(s) and must pay interest at the rate of one and one-half percent per month or any part of a month to the subcontractor(s) on any undisputed amount not paid on time to the subcontractor(s).

**21. Termination**

**21.1 Termination by the State without cause.** The Commissioner of the Minnesota Department of Administration may cancel this Contract at any time, without cause, upon 90 days' written

notice to the WHOLESALER. Upon termination, the WHOLESALER will be entitled to payment, determined on a pro rata basis, for services satisfactorily performed.

21.2 **Termination for cause.** Either party may cancel this Contract at any time, for cause, upon no less than ninety (90) days' written notice to the other party. Upon notice of termination, the noticed party shall have sixty (60) days to cure any defects.

21.3 **Termination for insufficient funding.** MMCAP may immediately terminate this Contract if it does not obtain funding from the Minnesota Legislature, or other funding source; or if funding cannot be continued at a level sufficient to allow for the payment of the services covered here. Termination must be by written or fax notice to the WHOLESALER. MMCAP is not obligated to pay for any services that are provided after notice and effective date of termination. However, the WHOLESALER will be entitled to payment, determined on a pro rata basis, for services satisfactorily performed to the extent that funds are available. The State will not be assessed any penalty if this Contract is terminated because of the decision of the Minnesota Legislature, or other funding source, not to appropriate funds. MMCAP must provide the WHOLESALER notice of the lack of funding within a reasonable time of MMCAP receiving that notice.

## 22. Non-discrimination (In accordance with Minn. Stat. § 181.59)

The WHOLESALER will comply with the provisions of Minn. Stat. § 181.59 which require:

Every contract for or on behalf of the state of Minnesota, or any county, city, town, township, school, school district, or any other district in the state, for materials, supplies, or construction shall contain provisions by which WHOLESALER agrees: (1) that, in the hiring of common or skilled labor for the performance of any work under any contract, or any subcontract, no contractor, material supplier, or WHOLESALER, shall, by reason of race, creed, or color, discriminate against the person or persons who are citizens of the United States or resident aliens who are qualified and available to perform the work to which the employment relates; (2) that no contractor, material supplier, or WHOLESALER, shall, in any manner, discriminate against, or intimidate, or prevent the employment of any person or persons identified in clause (1) of this section, or on being hired, prevent, or conspire to prevent, the person or persons from the performance of work under any contract on account of race, creed, or color; (3) that a violation of this section is a misdemeanor; and (4) that this Contract may be canceled or terminated by the state, county, city, town, school board, or any other person authorized to grant the contracts for employment, and all money due, or to become due under this Contract, may be forfeited for a second or any subsequent violation of the terms or conditions of this Contract.

## 23. Affirmative action requirements for contracts in excess of \$100,000 and if the WHOLESALER has more than 40 full-time employees in Minnesota or its principal place of business

The State intends to carry out its responsibility for requiring affirmative action by its contractors.

23.1 **Covered Contracts and Contractors.** If this Contract exceeds \$100,000 and the WHOLESALER employed more than 40 full-time employees on a single working day during the previous 12 months in Minnesota or in the state where it has its principle place of business, then the WHOLESALER must comply with the requirements of Minn. Stat. § 363A.36 and Minn. R. 5000.3400-5000.3600. A contractor covered by Minn. Stat. § 363A.36 because it employed more than 40 full-time employees in another state and does not have a certificate of compliance, must certify that it is in compliance with federal affirmative action requirements.

23.2 **Minn. Stat. § 363A.36.** Minn. Stat. § 363A.36 requires the WHOLESALER to have an affirmative action plan for the employment of minority persons, women, and qualified disabled individuals approved by the Minnesota Commissioner of Human Rights ("Commissioner") as indicated by a certificate of compliance. The law addresses suspension or revocation of a certificate of

compliance and contract consequences in that event. A contract awarded without a certificate of compliance may be voided.

**23.3 Minn. R. 5000.3400-5000.3600.**

- (A) *General.* Minn. R. 5000.3400-5000.3600 implements Minn. Stat. § 363A.36. These rules include, but are not limited to, criteria for contents, approval, and implementation of affirmative action plans; procedures for issuing certificates of compliance and criteria for determining a contractor's compliance status; procedures for addressing deficiencies, sanctions, and notice and hearing; annual compliance reports; procedures for compliance review; and contract consequences for non-compliance. The specific criteria for approval or rejection of an affirmative action plan are contained in various provisions of Minn. R. 5000.3400-5000.3600 including, but not limited to, Minn. R. 5000.3420-5000.3500 and 5000.3552-5000.3559.
- (B) *Disabled Workers.* The WHOLESALER must comply with the following affirmative action requirements for disabled workers.
  - (1) The WHOLESALER must not discriminate against any employee or applicant for employment because of physical or mental disability in regard to any position for which the employee or applicant for employment is qualified. The WHOLESALER agrees to take affirmative action to employ, advance in employment, and otherwise treat qualified disabled persons without discrimination based upon their physical or mental disability in all employment practices such as the following: employment, upgrading, demotion or transfer, recruitment, advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship.
  - (2) The WHOLESALER agrees to comply with the rules and relevant orders of the Minnesota Department of Human Rights issued pursuant to the Minnesota Human Rights Act.
  - (3) In the event of the WHOLESALER's noncompliance with the requirements of this clause, actions for noncompliance may be taken in accordance with Minn. Stat. § 363A.36, and the rules and relevant orders of the Minnesota Department of Human Rights issued pursuant to the Minnesota Human Rights Act.
  - (4) The WHOLESALER agrees to post in conspicuous places, available to employees and applicants for employment, notices in a form to be prescribed by the Commissioner. Such notices must state the WHOLESALER's obligation under the law to take affirmative action to employ and advance in employment qualified disabled employees and applicants for employment, and the rights of applicants and employees.
  - (5) The WHOLESALER must notify each labor union or representative of workers with which it has a collective bargaining agreement or other contract understanding, that the Wholesaler is bound by the terms of Minn. Stat. § 363A.36, of the Minnesota Human Rights Act and is committed to take affirmative action to employ and advance in employment physically and mentally disabled persons.
- (C) *Consequences.* The consequences for the WHOLESALER's failure to implement its affirmative action plan or make a good faith effort to do so include, but are not limited to, suspension or revocation of a certificate of compliance by the Commissioner, refusal by the Commissioner to approve subsequent plans, and termination of all or part of this Contract by the Commissioner or the State.
- (D) *Certification.* The WHOLESALER hereby certifies that it is in compliance with the requirements of Minn. Stat. § 363A.36 and Minn. R. 5000.3400-5000.3600 and is aware of the consequences for noncompliance.

**24. E-Verify certification (In accordance with Minn. Stat. § 16C.075)**

For services valued in excess of \$50,000, WHOLESALER certifies that as of the date of services performed on behalf of the State, WHOLESALER and all its subcontractors will have implemented or be in the process of implementing the federal E-Verify Program for all newly hired employees in the United States who will perform work on behalf of the State. WHOLESALER is responsible for collecting all subcontractor certifications and may do so utilizing the *E-Verify Subcontractor Certification Form* available at <http://www.mmd.admin.state.mn.us/doc/EVerifySubCertForm.doc>. All

subcontractor certifications must be kept on file with WHOLESALER and made available to the State upon request.

**25. GPO Representation.** MMCAP represents and warrants that it is a “group purchasing organization” as that term is defined under 42 C.F.R. Section 1001.952(j) and that it shall comply with all applicable federal and state laws, rules and regulations, including, but not limited to, the provisions set forth in 42 U.S.C. Section 1320a-7b and the “safe harbor regulations” set forth in 42 C.F.R. Section 1001.952.

**26. Contingency Fees Prohibited.** Pursuant to Minnesota Statutes § 10A.06, no person may act as or employ a lobbyist for compensation that is dependent upon the result or outcome of any legislation or administrative action.

**27. Risk of Loss, Damage, and Shipping Terms.** Shipments under this Contract shall be FOB Destination, freight prepaid and allowed, to the MMCAP Member’s receiving dock or pharmacy, unless otherwise agreed to by the parties in writing. Title to and risk of loss of the products transfers to the MMCAP Member upon delivery to the MMCAP Member, as set forth above.

**28. Force Majeure.** Neither party hereto will be considered in default in the performance of its obligations hereunder to the extent that performance of any such obligations is prevented or delayed by acts of God, war, riot or other catastrophes beyond the reasonable control of the party. Force majeure will not apply to the extent that the act or occurrence could have been reasonably foreseen and reasonable action could have been taken to prevent the delay or failure to perform. A party claiming excuse of performance under this provision must provide the other party prompt written notice of the failure to perform, take commercially reasonable efforts to mitigate the damages caused to all parties, and take all necessary steps to bring about performance as soon as practicable.

**29. Default.**

29.1 **General.** In the event of default, MMCAP and the MMCAP Member reserve the right to pursue any other remedy available by law. WHOLESALER may be removed from the WHOLESALER’s list, suspended or debarred from receiving a Contract for failure to comply with terms and conditions of this Contract.

29.2 **Failure to Perform.** Upon failure to perform the following services in the time and manner as set forth herein, the following fees shall be paid by WHOLESALER:

29.2.1 **Bid Roll.** MMCAP will notify Wholesaler within 30 days after manufacturer bid roll of any MMCAP Contract Products not loaded, stocked, and viewable by all MMCAP Members, consistent with process identified within Attachment A. 4.5. B. In the event that an MMCAP Contract Product(s) is not loaded, stocked, and viewable by all MMCAP Members when the new manufacturer contracts are in effect and have been received from the manufacturer(s), WHOLESALER shall pay the following fee to MMCAP: \$2,500/day, until resolved, not to exceed \$25,000 per bid roll cycle.

29.2.2 **Reports** In the event that any report and/or data provided by the WHOLESALER, pursuant to the terms of this Contract, is not received according to schedule, contains incorrect data, incomplete data, or no data, and is more than a minor defect or causes harm to MMCAP’s ability to conduct business or its governmental purpose, Wholesaler will be allowed a 3 business day cure period, or WHOLESALER shall pay the following fee to MMCAP: \$500/day, not to exceed \$5,000 per reporting instance, until resolved.

29.2.3 **Inventory Management and Management of MMCAP Contract Products.** If an MMCAP Contract Product is not loaded, stocked, and viewable by all MMCAP Members, as required pursuant to this Contract and within the timelines set forth herein, WHOLESALER shall credit to the MMCAP Member submitting the request an amount equal to two and one-half percent (2.5%) of such MMCAP Member’s

previous month's net purchases of the generically equivalent item in the same packaging size. WHOLESALER shall credit to the MMCAP Member within thirty (30) calendar days of the MMCAP Member's original request to stock the MMCAP Contract Product. WHOLESALER will be responsible for Inventory Management and Management of MMCAP Contract Products Failure to Perform claims for 90 calendar days from the date the Wholesaler is first unable to supply the Product to an MMCAP Member. This clause shall not apply when the Failure to Perform claim is attributable to a cause outside WHOLESALER's control, or where the alternative product purchased is a WHOLESALER Generic Drug Program product, so long as WHOLESALER is acting in good faith to stock the MMCAP Contract Product.

**29.2.4 Delivery Delays.** Deliveries shall be made by the WHOLESALER in accordance with the time schedules specified in Attachment A, or as otherwise agreed upon by the WHOLESALER and MMCAP Member. Where delivery is delayed, WHOLESALER shall credit to the Member a fee of forty five dollars (\$45.00) per delivery not delivered within 90 minutes of the delivery time scheduled, and for each day the delivery is not received, payable as a credit to the Member within fourteen (14) calendar days of the original delivery date. WHOLESALER shall not be responsible for paying the aforementioned fee for delays outside of its control, and where notification of the experienced delivery delay is not provided to the Wholesaler within 30 days of the event.

**29.2.5 Invoices.** Where WHOLESALER submits a current and/or subsequent invoice for any fees not related directly to Product cost or not specified in Attachment B, WHOLESALER shall reference the original invoice number or purchase order number. Should the WHOLESALER inappropriately charge a fee not related directly to Product cost or a fee not specified in Attachment B, Wholesaler shall credit the inappropriately charged amount back to the MMCAP Member. There is no annual limitation attached to the recovery of fees inappropriately charged that are not related directly to Product cost or not specified in Attachment B, Wholesaler will provide a monthly report to MMCAP of any miscellaneous fees charged to MMCAP Members which are not related directly to Product cost or not specified in Attachment B.

**29.2.6 Application of Fees.** The application of fees herein shall not excuse WHOLESALER's performance obligations as set forth in this agreement, nor shall it waive any rights of MMCAP or MMCAP Members to seek any and all available legal and equitable remedies.

**29.2.7 Acknowledgement.** WHOLESALER acknowledges that the fees set forth above are not penalties, but rather seek to make MMCAP and MMCAP Members whole for any failure of performance by the WHOLESALER, as based upon good faith estimates as agreed to by the parties.

**30. Severability.** If any provision of this Contract, including items incorporated by reference, is found to be illegal, unenforceable, or void, then both MMCAP and the WHOLESALER will be relieved of all obligations arising under such provisions. If the remainder of this Contract is capable of performance, it will not be affected by such declaration or finding, and will be fully performed.

**31. Dispute Resolution.** WHOLESALER and MMCAP Members will handle dispute resolution for unresolved issues using the following procedure.

**31.1 Notification.** Parties shall promptly notify each other of any known dispute and work in good faith to resolve such dispute within a reasonable period of time.

**31.2 Documentation.** Both the MMCAP Member and the WHOLESALER will jointly develop a short briefing document that describes the issue(s), relevant impact, and positions of both parties. The briefing document must be sent by the WHOLESALER to MMCAP, the MMCAP Member, and the WHOLESALER's MMCAP Primary Account Representative.



- 31.3 **Escalation.** If parties are unable to resolve the issue in a timely manner, as specified above, either the MMCAP Member or WHOLESALER may escalate the resolution of the issue to a higher level of management. Where escalation of the issue proves ineffective, either party may contact MMCAP and/or the WHOLESALER's MMCAP Representative for further resolution. When escalated to MMCAP, a teleconference will be scheduled with MMCAP and the WHOLESALER's MMCAP Primary Account Representative to review the briefing document and develop a proposed resolution and plan of action. The plan and timeline must be agreed to by all parties – MMCAP, the MMCAP Member, and WHOLESALER.
- 31.4 **Performance while Dispute is Pending.** Notwithstanding the existence of a dispute the WHOLESALER must continue without delay to carry out all of their responsibilities under this Contract that are not affected by the dispute. If the WHOLESALER fails to continue without delay to perform its responsibilities under this Contract, in the accomplishment of all undisputed work, any additional costs incurred by MMCAP and/or MMCAP members as a result of such failure to proceed shall be borne by the WHOLESALER.
- 31.5 **Member Rights.** In the event an MMCAP Member cannot resolve a dispute with the WHOLESALER, and the MMCAP Member has worked with MMCAP to resolve the dispute, the MMCAP Member(s) may change its prime Wholesaler even if the rest of the MMCAP Member state does not wish to change its wholesaler.
- 31.6 **No Waiver.** This clause shall in no way limit or waive either party's right to seek available legal or equitable remedies.
32. **Adding New Members.** If new states are added as MMCAP Members and opt to participate in this Contract, the new MMCAP Member state will select a wholesaler to service the MMCAP Members. In the event one or more of said facilities are currently using another MMCAP-contracted wholesaler, said facility will be allowed to choose if it will transition to WHOLESALER.
33. **Required Licenses, Permits, and Registration.** WHOLESALER shall have in place prior to the start of this Contract, and must maintain for the life of this Contract, all current licenses, permits and registrations required by state, local and federal agencies. WHOLESALER must make such documentation available upon request by MMCAP.
34. **DEA License/HIN.** WHOLESALER shall not require an MMCAP Member to have a DEA number in order to obtain products unless making orders for controlled substances. MMCAP Member facilities will have HIN numbers assigned by MMCAP.
35. **Personnel Changes.** WHOLESALER shall notify MMCAP of changes in the Wholesaler's key personnel, in advance and in writing. Any employee of Wholesaler, who, in the opinion of MMCAP, is unacceptable, will be removed from the project upon written notice to the Wholesaler; provided, however, any such removal must be for lawful reasons. In the event that an employee is removed pursuant to a written request from MMCAP's authorized representative, the Wholesaler will have ten (10) working days in which to fill the role with an acceptable employee.
36. **State Terms and Participation.**
- 36.1 WHOLESALER may be required to prepare an MMCAP "Member-requested Participation Agreement" ("MPA"), which is attached and incorporated as Attachment E, to amend this Contract to provide for laws specific to a state or local jurisdiction. If these circumstances exist, WHOLESALER must work with MMCAP and the MMCAP Member to prepare the MPA. An MPA must clearly apply only to the requesting location and will not affect the rights of the other MMCAP Members, nor will it modify, derogate, or otherwise diminish the rights and obligations set forth herein, except in regard to the applicable named MMCAP Member. No verbal or written instructions from MMCAP Members, or any of their staff or officials may be used to

change any provision of this Contract. WHOLESALER will immediately report any such requests to the MMCAP Manager who will issue approval or denial in writing.

36.2 WHOLESALER will comply with all local, state, and federal laws, as applicable to each Member State, in the performance of this Contract. In the performance of this Contract, and to the extent applicable, all Parties will comply with the federal Drug Supply Chain Security Act (DSCSA). MMCAP will not be bound by non-Minnesota state-specific terms contained in an MPA when bringing any action. Nothing contained herein will be deemed a waiver of the State of Minnesota's sovereign immunity.

**1. Cardinal Health 110, LLC, Cardinal Health 411, Inc. and Cardinal Health 107, LLC**

The Vendor certifies that the appropriate person(s) have executed this Agreement on behalf of the Vendor as required by applicable articles, bylaws, resolutions or ordinances.

By: James L. Scott  
 Title: SVP, National Markets  
 Date: 11/3/14

By: James L. Scott  
 Title: SVP, National Markets  
 Date: 11/3/14

**2. STATE OF MINNESOTA FOR MMCAP**

In accordance with Minn. Stat. § 16C.03, subd. 3

By: Sara Turnbow, PharmD BCPS  
 Title: Pharmacist Sr.  
 Date: 11-4-14

**3. COMMISSIONER OF ADMINISTRATION**

In accordance with Minn. Stat. § 16C.05, subd. 2

By: [Signature]  
 Title: Negotiations Manager  
 Date: 11-5-14

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## Attachment A – Scope of Work

### 4.1 Definitions

Throughout this Contract, the following terms are used as defined.

*340B Drug Pricing Program (340B)* - The 340B Drug Pricing Program resulted from enactment of Public Law 102-585, the Veterans Health Care Act of 1992, which is codified as Section 340B of the Public Health Service Act. Section 340B limits the cost of covered outpatient drugs to certain federal grantees, federally-qualified health center look-alikes and qualified disproportionate share hospitals (DSH). Several MMCAP Participating Facilities are eligible and participate in the 340B Drug Pricing Program.

*Adequate Supply*- A supply of Products made available to the MMCAP Participating Facilities that allow conformity with the parameters of the fill rate and historical purchase patterns.

*Bulky Products* - The MMCAP Office's definition of Bulky Products include food and food products, home healthcare products (durable medical equipment, such as walking aids, bathroom safety products, wheelchairs and accessories, scooters and lift chairs, etc.), non-contract nutritionals, school and office supplies, non-contract large volume parenterals, and non-contract IV Fluids.

*Closed Distribution Products (CDP)* - Closed Distribution is either required by the manufacturer or by the FDA. Reasons for the Closed Distribution of a product include patient safety, product stability, or the product is new to the market. Most orders for Closed Distribution Products are passed through the Wholesaler for delivery directly by the product supplier.

*Confirmation Printback/Order Confirmation* - An electronic confirmation report generated from the Wholesaler's ordering system(s), meaning both Cardinal.com and Order Express and sent electronically back to the ordering facility indicating that the requested Products are available, on Manufacturer Backorder, out of stock, or deleted, etc. Also referred to as the Confirmation Printback Report.

*Controlled Substance Ordering System (CSOS)* - Allows for secure electronic transmission of Schedule I-V controlled substance orders without the supporting paper DEA Form 222.

*Drop Shipment(s)* - Products ordered by the MMCAP Participating Facilities through the Wholesaler and shipped directly to the MMCAP Participating Facilities from the manufacturer/product supplier. The manufacturer/product supplier notifies and bills the Wholesaler, who then invoices and receives payment from the MMCAP Participating Facility.

*EDI* - Electronic Data Interchange - Inter-process (computer to computer application) communication of business information in a standardized electronic form.

*Manufacturer Backorder(s) (MBO)* - An order placed by the Wholesaler to a manufacturer or supplier which is not shipped to the Wholesaler due to industry wide shortages or other supply issues as set forth in Section 4.5 (E.) of Attachment A.

*MMCAP Contract Product(s)* - Any Product that appears on an MMCAP contract.

*MMCAP Contract File Updates* – electronic files sent by the MMCAP Office to the Wholesaler which provide batched MMCAP Contract Product and MMCAP contract pricing information. The MMCAP Contract File Updates are usually sent to the Wholesaler on a weekly basis. The first file (titled "Update

[sequential number]”) details the MMCAP contract changes that have occurred since the last weekly communication from the MMCAP Office. The second file (titled “[sequential number] Contract [8-digit date]”) is a listing of the entire MMCAP contract as of the date provided in the title. The third file (titled “[sequential number] Pending [8-digit date]”) is a listing of the MMCAP Contract Products with future effective dates.

*MMCAP Member(s)* – Any of the, currently, 48 MMCAP member states plus the Cities of Chicago and Los Angeles and any other members added or deleted during the life of the Contract and any extensions. MMCAP Members shall be considered intended third-party beneficiaries of this Contract.

*MMCAP Participating Facility* - Any facility listed by the MMCAP Office as an active participant of MMCAP program. A current listing of MMCAP Facilities is made available to all MMCAP vendors monthly. MMCAP Participating Facilities shall be considered intended third-party beneficiaries of this Contract.

Both *MMCAP Member(s)* and *MMCAP Participating Facility* may be referenced as “MMCAP Member(s)”, when applicable throughout the Scope of Work.

*MMCAP Office* – The administrative staff of the MMCAP Program responsible for initiating and administering all MMCAP contracts. The MMCAP Office may be referred to synonymously as MMCAP. Located at:

MMCAP  
Minnesota Department of Administration  
Materials Management Division  
112 Administration Building  
50 Sherburne Avenue  
St. Paul, MN 55155

*MMCAP State Contacts* – purchasing and pharmacy professionals are designated by MMCAP Member States to serve as liaisons between the MMCAP Office and the MMCAP Participating Facilities in each State. A list of MMCAP State Contacts is available at:  
[http://www.mmd.admin.state.mn.us/mmcap/background\\_current\\_states.htm](http://www.mmd.admin.state.mn.us/mmcap/background_current_states.htm).

*National Drug Code (NDC)* – a unique 11-digit number which is a universal product identifier for human drugs. The NDC identifies the labeler code, product code (strength, dosage form, and formulation), and package code (package size and type). All NDCs reported to the MMCAP Office must be in the 5-4-2 configuration.

*Next Day Delivery* - Orders placed Sunday through Thursday by MMCAP Participating Facilities by the designated time as proposed by the Wholesaler which will be delivered the next business day. Orders placed on Friday or Saturday must be delivered on the following Monday.

*Next Scheduled Delivery Day* - is the day agreed upon by the Wholesaler and the MMCAP Participating Facility for delivery of Products. For some MMCAP Participating Facilities, the Next Scheduled Delivery Day may not necessarily denote that the delivery will be made within 24 hours.

*Non-Contract Product* - Any product that does not appear on an MMCAP contract or the 340B Drug Pricing Program contract.

*Pedigree* - A record containing information regarding each transaction resulting in a change of ownership of a given medication, from sale by a manufacturer, through acquisition and sale by one or more wholesalers, manufacturers, or pharmacies, until final sale to a pharmacy or other person furnishing, administering, or dispensing the medication.

*Product(s)* - Synonymously used to denote the merchandise requested by the MMCAP Participating Facilities to be delivered through the Wholesaler.

*Stock Outage(s)* - An occurrence wherein the Wholesaler cannot make available an Adequate Supply of the MMCAP Participating Facility's requested Products. As opposed to a MBO situation, the Wholesaler will be held responsible for Stock Outages.

*Wholesaler* - Also referred to as Vendor, Pharmaceutical Prime Vendor, or Prime Vendor, is a business that functions as a purchaser's source of distribution for a wide array of pharmaceutical and related Products as identified by the MMCAP Participating Facility. A Wholesaler is responsible for maintaining and distributing an Adequate Supply of pharmaceuticals and related Products and any other items contracted for that are dispensed through the MMCAP Participating Facilities' pharmacy service.

## 4.2 Service Area

As of the Contract effective date, Wholesaler will provide the full range of contracted services under this Contract to all requesting MMCAP Participating Facilities and/or MMCAP Members. Unless approved by MMCAP in writing, Wholesaler must provide services to all MMCAP Participating Facilities within a state (not partial service coverage), subject to the requirements of Section 4.4. The MMCAP Office (represented by the term MMCAP) reserves the right to add or delete MMCAP Members at any time during the Contract term.

Wholesaler will provide service to the MMCAP Members specified in an amendment.

## 4.3 Customer Service

### A. Customer Service to MMCAP

The Wholesaler will designate an Account Management Team for MMCAP. The assigned Account Management Team will have the depth of experience needed to serve in a solution- oriented role. The principal resources identified by the Wholesaler are confirmed as to having the authority to make decisions on behalf of the Wholesaler and to be empowered to provide accountability. The Account Management Team will be staffed with qualified resources along with additional resources to provide sufficient back-up support in the event that the principal resources become unavailable.

1. The Wholesaler's designated Primary Account Representatives for MMCAP will be Lisa Penn, Director State Government, [lisa.penn@cardinalhealth.com](mailto:lisa.penn@cardinalhealth.com) , 614- 553-3604 and Clay Miller, Manager State Government, [clay.miller@cardinalhealth.com](mailto:clay.miller@cardinalhealth.com) , 614- 757-6763.
2. Additional functional contacts are:
  - a. Contract issues/discrepancies (product stocking, product loading, pricing):  
Tiffany Kuhel, Consultant [tiffany.kuhel@cardinalhealth.com](mailto:tiffany.kuhel@cardinalhealth.com) , 614-757-7528.
  - b. Class of trade issues (contract eligibility, denials, etc.):  
Tiffany Kuhel, Consultant [tiffany.kuhel@cardinalhealth.com](mailto:tiffany.kuhel@cardinalhealth.com) , 614-757-7528.
  - c. Issues concerning MMCAP's invoice auditing service:  
Tiffany Kuhel, Consultant [tiffany.kuhel@cardinalhealth.com](mailto:tiffany.kuhel@cardinalhealth.com) , 614-757-7528.
  - d. Wholesaler distribution service fees:  
Clay Miller, Manager State Government, [clay.miller@cardinalhealth.com](mailto:clay.miller@cardinalhealth.com) , 614- 757-6763



- e. Data/reporting issues and Shareback fee process:  
Alex Fox, Senior Analyst, [alex.fox@cardinalhealth.com](mailto:alex.fox@cardinalhealth.com) , 614-757-9449.
- f. Electronic invoice auditing dispute resolution:  
Tiffany Kuhel, Consultant [tiffany.kuhel@cardinalhealth.com](mailto:tiffany.kuhel@cardinalhealth.com) , 614-757-7528.
- g. Service fee /cost of goods discounts:  
Regional Leaders and Senior Specialists will be responsible for any service fee discount inquiries specific to their assigned member states. Any escalated inquiries surrounding service fee/cost of goods discounts should be directed to Clay Miller, Manager State Government, [clay.miller@cardinalhealth.com](mailto:clay.miller@cardinalhealth.com) , 614- 757-6763.
- h. Accounts receivable:  
Michelle Janlin, Collections Manager, [michelle.janlin@cardinalhealth.com](mailto:michelle.janlin@cardinalhealth.com) , 614-822-4135
- i. Accounts Payable:  
Lauren Payne, Finance Operations Manager, [lauren.payne@cardinalhealth.com](mailto:lauren.payne@cardinalhealth.com) 614-652-1465
3. In the event the MMCAP determines the Primary Account Representative is non-responsive, MMCAP will escalate to Don Lyle, VP Account Management State Government, [Don.Lyle@cardinalhealth.com](mailto:Don.Lyle@cardinalhealth.com), 614-757-7782, to take appropriate corrective action for problem resolution.
4. The Wholesaler must provide advanced written notification to MMCAP of changes in the Wholesaler's key administrative personnel. Any employee of Wholesaler, who, in the sole opinion of MMCAP, is unacceptable, will be removed from the project upon written notice to the Wholesaler, provided such removal is for lawful reasons. In the event that an employee is removed pursuant to a written request from MMCAP's authorized representative, the Wholesaler will have ten (10) business days in which to fill the vacancy with an acceptable employee. There will be no charge to MMCAP or the MMCAP Members for replacement personnel assigned and Wholesaler agrees that each such replacement has acquired the necessary orientation and background to make a productive contribution.
5. Business Review
- a. Wholesaler will hold monthly business reviews at MMCAP's office with the Wholesaler's Primary Account Representative(s), as deemed necessary by MMCAP's Wholesaler Distribution Services Coordinator.
  - b. Wholesaler will hold quarterly business reviews at MMCAP's office with the Wholesaler's Primary Account Representative(s) and others from the Wholesaler's Corporate Office to address, at a minimum, the following:
    - Sales Data
    - Contract Financials (discounts, fees, cost of goods, etc.)
    - Contract Compliance/Category Breakdown
    - Inflationary/Budget Related Data
    - Managed Care News/Updates
    - Service Levels by distribution center, by MMCAP Members (state and facility), and for MMCAP as a group
    - Contract Activity
    - Success Stories and Opportunities Ongoing.
    - Pedigree Updates
    - Any federal and/or state legislation affecting MMCAP Members and/or the pharmaceutical industry
    - Proactive Product Information
    - Pharmaceutical distribution impacts and trends; pharmaceutical industry updates
    - Contract Activity Reporting
    - Compliance Activity Reporting
    - Purchase Activity Reporting
    - EDI Setup Audits
    - Customer Satisfaction

- Relevant current and planned initiatives, both of MMCAP and the Wholesaler, and any associated action plans
  - Wholesaler Performance
6. Wholesaler and MMCAP agree to conduct a complete contract review no later than March 31, 2015 to determine areas of non-compliance from both parties. This review will be done annually, with the due date tied to the anniversary date of the effective date of the Contract.

## **B. Customer Service to MMCAP Participating Facilities**

### **1. Customer Service Department**

Wholesaler will provide the MMCAP Participating Facilities access to the Wholesaler's customer service department, which at a minimum, consists of the following:

- a. Customer support centralized in two national call centers located in Radcliff, Kentucky and Little Rock, Arkansas.
- b. Cardinal Health's overseas call center may be used only for business continuity situations, unless approved in writing by MMCAP. Cardinal Health will provide prompt notice of any overseas call center use and will provide a monthly report to MMCAP detailing the number of calls going to the overseas call center.
- c. Access to customer service representatives with principal responsibilities in the areas of order entry, Drop Shipment ordering, stocking issues, and general customer service requests.
- d. Customer service hours of operation are 7:30 a.m. – 8:00 p.m. (Eastern Standard Time) Monday through Friday (excluding the following national holidays: Christmas, New Years Day, Thanksgiving Day, Memorial Day, the Fourth of July, and Labor Day).
- e. Wholesaler's customer service can be reached toll free at 866-641-1199, by fax at 866-551-0530, or by e-mail at [GMB-P\\_SPL\\_V\\_GOV@cardinalhealth.com](mailto:GMB-P_SPL_V_GOV@cardinalhealth.com).
- f. Technical support is available 24 hours a day, 7 days a week. Technical support for Cardinal.com/Order Express can be reached toll free by calling 800-326-6457.
- g. Customers may use Wholesaler's TeleServe (866.958.2200) ordering/stock check application. TeleServe is available 24 hours a day/7 days a week. Customers can use this valuable tool to place orders for products, check stock status/item availability, and receive real-time confirmation of product allocation. TeleServe allows purchasers to perform these functions hands-free through the voice-activated feature.
- h. Emergency Call Procedures are for life critical emergency situations only that require product before the Next Scheduled Delivery Day:

#### **Emergency Call Procedure for the Fastest Response**

- 1). During normal business hours (Monday-Friday 7:30 am to 8:00 pm Eastern Standard Time), call customer service at 866-641-1199.
- 2). Outside normal business hours, please call 877-772-0346. An answering service representative will take the message and a Cardinal Health employee will promptly return the call. MMCAP Participating Facilities will need to provide their servicing distribution center name, account name and number, a contact name, and a call back phone number available.

### **2. MMCAP Members' Customer Account Representatives**

- a. MMCAP State Contacts. Each MMCAP State Contact will have a designated account management Regional Leader appointed by the Wholesaler's Primary Account Manager to meet with both MMCAP Field Services representative, where regionally available, and MMCAP State Contact and other state representatives on a quarterly basis to discuss, at a minimum, the following:
  - Customer satisfaction
  - Wholesaler performance
  - State account performance (COGs, payment terms, etc.)
  - Reports (e.g., contract compliance)
  - Other

- b. **MMCAP Participating Facilities.** Wholesaler will provide an account management Regional Leader for each MMCAP Participating Facility with average volume of \$25,000 per month or more. This individual will serve as a liaison between the MMCAP Participating Facility and Wholesaler, managing the working and strategic relationship to ensure quality of service delivery and customer satisfaction. In managing the relationship, the assigned Regional Leader will utilize various relationship management contact options, including the MMCAP Field Services representatives whenever possible, dependent upon the needs of the MMCAP Participating Facilities. Dedicated Senior Specialists are assigned to support the Regional Leaders and will also have individual account management responsibilities for those MMCAP Participating Facilities with an average volume of less than \$25,000 per month. The Regional Leader will make routine on-site visits to discuss performance issues and solve problems according to the schedule below:

Average Monthly Purchasing Volume	Frequency of Contact with MMCAP Participating Facility	Type of Contact
\$0 - \$25,000	Dialogue with MMCAP Participating Facility once every 30 calendar days unless otherwise requested by the MMCAP Participating Facility	Telephone Call Onsite visits available upon reasonable request
\$25,001 – and up	1. Customer Business Reviews offered quarterly. 2. Dialogue with MMCAP Participating Facilities once every 30 calendar days or as needed	1. On-site visit or Telephone Call 2. On-site visit or Telephone Call
State Purchasing Contact	Dialogue offered monthly or as desired by State Purchasing Contact. State contacts are to be included in quarterly Member Customer Business Reviews desired.	On-site visit or telephone call

- c. **Additional Resources.** Wholesaler will provide adequate staffing resources for both field operations to provide direct service for the MMCAP Members and corporate operations to assist MMCAP. These resources will provide facility targeted approaches to solve specific problems and determining solutions for operational, contract compliance and inventory management issues. Designated resources may fluctuate up or down depending on volume and business need.
- d. The Wholesaler will make its best efforts to notify MMCAP at least ten (10) business days in advance of any meeting between the Wholesaler, any MMCAP State Contact, and/or MMCAP Participating Facility, and any potential MMCAP State Contact or MMCAP Participating Facility when the meeting topics will address issues beyond standard operation issues including but not limited to requests for proposal, legislative activities concerning any products or services covered by this Contract, or expansion of the Wholesaler's presence in that organization or state. If MMCAP is not an attendee at the meeting, the Wholesaler agrees to provide a detailed account of the meeting to MMCAP and will make its best efforts to provide this information no later than five (5) business days after the meeting.

### 3. **MMCAP State Contacts and MMCAP Participating Facility Satisfaction Survey**

Wholesaler will solicit an MMCAP pre-approved, annual survey with all MMCAP State Contacts and a representative random sample of MMCAP Participating Facilities. The goal is an overall average survey score of 3.5 out of 5 points. The Wholesaler will share the raw survey responses for those survey areas that score below 3.5 and will devise an action plan(s) to address deficiencies, presenting status updates at quarterly Executive Business Reviews, or more frequent as appropriate.

#### 4.4 Contract Transition and Implementation

If the MMCAP Member is currently contracting with the Wholesaler for the services, or substantially similar services, as set forth in this Attachment A, Wholesaler will transition each MMCAP Member from the existing contract (and existing contract terms) to this Contract (and its terms) on the 1st day of the month following execution of this Contract and in no event later than 30 days from Contract execution.

If the MMCAP Member is not currently contracting with the Wholesaler for the services or substantially similar services, as set forth in Attachment A, Wholesaler shall implement this contract (and its terms) for the MMCAP Member on the 1st day of the third month following execution of this Contract and in no event later than 90 days from Contract execution.

Transition from an existing contract to this Contract must occur on the 1<sup>st</sup> day of a month, and no other day.

In completing this transition, Wholesaler shall work with MMCAP Staff and MMCAP Participating Facilities to determine the appropriate steps and schedule, subject to the above, for the transition. Wholesaler acknowledges that the transition may be dependent upon the terms of the existing contracts and subject to the notice provisions contained therein. MMCAP and MMCAP Participating Facilities acknowledge that the transition is dependent on Wholesaler receiving all documentation from the MMCAP Participating Facility required for account set-ups. This plan will detail the phase-in of the Wholesaler's operations at the MMCAP Member with a 100% operating level at the onset of the contract effective date.

Satisfaction of a 100% operating level will include:

- a. Installation and testing of all electronic ordering equipment
- b. Training of employees
- c. Bar coding and shelf labeling
- d. Price loading of all MMCAP contract products
- e. Wholesaler's internal inventory preparation and distribution system, based on current MMCAP Participating Facilities' sales and usage data
- f. Wholesaler's plan to ensure that stocking and chargeback agreements are in place with all MMCAP-contracted vendors

Wholesaler's standard procedure for implementing a new MMCAP Participating Facility is:

##### **Week 1**

Wholesaler Distribution Services Contract Signed  
Provide 12 months detailed usage from MMCAP to Wholesaler  
Provide site listing from MMCAP to Wholesaler  
Communicate conversion team contact listing and schedule calls  
Fax/email/mail DEA and state pharmacy licenses  
Obtain MMCAP roster and confirm eligibility  
Assess customer technology requirements and begin pre-work  
Review customer attributes, needs, and expectations  
Obtain digital certificate for CSOS

##### **Week 2**

Assess customer needs for product catalogs  
Establish delivery plan, times, and requirements  
Review DC/Customer-Specific Order Cut-Off Time  
Load usage, activate/create items, and place orders  
Continue ordering pre-work (EDI, cardinal.com or Order Express, etc)

Complete account set-up and provide account numbers

**Week 3**

Delivery route set-ups with couriers are completed  
Technology work completed and tested  
Create electronic version of new customer Welcome Kits  
Confirm pricing eligibility and attach contracts to sites  
Create new reports as necessary

**Week 4**

Send new customer Welcome Kits to each site  
Complete site training for Cardinal.com or Order Express, etc  
Send CII blanks, product catalogs, hardware, etc. in tote as test order  
Outbound calls to each site as follow-up on test delivery and site visit  
Confirm Product is received and ready for day-1 orders

**Week 5**

Send New customer Welcome Kits to each site  
Complete site training for Cardinal.com or Order Express, etc  
Send CII blanks, Product catalogs, hardware, etc. in tote as test order  
Outbound calls to each site as follow-up on test delivery and site visit  
Confirm Product is received and ready for Day-1 orders  
Request corporate contacts to complete customer survey

**Week 6**

Schedule post-implementation review  
Schedule Business Review meeting

Wholesaler will be responsible for notifying both new and existing MMCAP Participating Facilities in writing specifying Wholesaler required documentation and instructions sufficient to enable the MMCAP Participating Facilities to transition to the new Contract. Wholesaler will promptly notify the MMCAP Participating Facilities in reasonable detail of any missing or incomplete documentation required for account set-up.

Wholesaler requires the following documents be completed and submitted to Wholesaler prior to opening a new account:

1. Confirmation of MMCAP Membership (i.e. MMCAP ID, etc.)
2. Letter of Authorization
3. Contract Pricing Declaration Form, found at: <http://www.cardinalhealth.com/pricingdeclaration>
4. State Pharmacy License
5. DEA Certificate, if required for the Products ordered
6. State Controlled Substance License (if applicable)
7. Sales Tax Exempt Certificate
8. Signed Prescription Drug Marketing Act (PDMA) form
9. A contact name will be requested to address any potential Accounts Receivable/Payable issues (credit applications are not required, however, the owner and party responsible for payment will be required)
10. Compliance Representations and Warranties

No documentation is required by the Wholesaler for use of MMCAP's repackaging, invoice auditing, and returned goods service contracts. Only notification to the Wholesaler by the MMCAP Participating Facility is required to use one of the applicable services in coordination with the Wholesaler.

Wholesaler will provide an inventory of MMCAP Contract Products sufficient to meet the needs of the MMCAP Participating Facilities from the beginning of the MMCAP contracting period. Historical usage data will be provided by MMCAP six weeks prior to the start of the contract period. Wholesaler must have all MMCAP Contract Products loaded in its ordering system(s) meaning both Cardinal.com and Order Express and have a minimum of thirty (30) calendar days' Product supply available to order prior to the Contract start date.

#### **4.5 Inventory Management**

##### **A. MMCAP-Contracted Manufacturers**

For the term of this Contract, Wholesaler will have contracts with all MMCAP-contracted manufacturers as required to provide all MMCAP Contract Products and perform the services described in this Contract to MMCAP Participating Facilities. Exceptions must be approved in writing by MMCAP.

##### **B. Bid-Roll**

For the term of this Contract, Wholesaler will agree to work with MMCAP during Bid-Roll intervals for both generic and brand MMCAP Contract Products. During each of these intervals, the Wholesaler is required to provide resources to work with MMCAP, supporting weekly meetings for status check-ins, beginning with the receipt of the MMCAP contract files 45 days in advance of the effective date of the specific Bid-Roll interval. The Wholesaler is required to establish and update a confirmation log, which will be utilized for the weekly updates. As the effective date approaches, if daily check-ins should become necessary to meet process goals, the Wholesaler will support any escalated efforts to ensure that preparations are in place to manage the inventory stocking requirements.

The Wholesaler agrees to provide Inventory Reporting, specific to products that are:

- Manufacturer Allocated
- Manufacturer discontinued
- Wholesaler discontinued
- NDC changes
- Backorders
- No contract with manufacturer status
- No Loads
- Stock status by distribution center (DC)

to ensure that Bid-Roll is synchronized for the specific effective date interval of the Contract Product roll.

The Wholesaler agrees to complete an audit of the contract load prior to the effective date of the specific Bid-Roll interval and weekly through the first month that the new contracts are in place.

##### **C. MMCAP Contract Products**

The Wholesaler will be required to sufficiently stock MMCAP Contract Products. Wholesaler will be required to stock inventory of MMCAP Contract Product unless there are fewer than three (3) units sold per month per distribution center. If there is volume of three (3) units or more of an equivalent product, Wholesaler will be required to stock inventory of MMCAP Contract Product based on equivalent product sales as requested by MMCAP. MMCAP Contract Products that do not meet the units sold threshold and which are not stocked will be expected to still be viewable within Wholesaler's online ordering system(s) and orderable through Customer Service.

1. Wholesaler will not create unreasonable barriers in order to stock an MMCAP Contract Product.
2. MMCAP must be notified in writing no later than five (5) business days if any of the MMCAP contracted manufacturers' contracts are terminated or expire via a Weekly Contract Changes report found in Section 4.16 D. MMCAP reserves the right to modify the MMCAP-contracted manufacturers list at any time during the Contract term.

3. Wholesaler acknowledges and agrees to carry utilization (demand) history for a minimum of 60 calendar days. If any Product has not been ordered after 60 calendar days, utilization history can be decreased in Wholesaler's inventory management system.
4. Wholesaler will bring in a thirty (30) days' supply of Products for initial account set-up based on usage data from MMCAP. Thereafter, Wholesaler's buying system will acknowledge created demand and purchase inventory to meet said demand. Inventory will be maintained according to Wholesaler's Service Level and inventory parameters. See also Section 4.4, Contract Transition and Implementation.
5. Wholesaler is responsible for providing an inventory forecasting report to MMCAP as requested. This report will monitor and forecast ordering, usage patterns, as well as, identify significant trends, including increases and decreases in purchases. Monthly contract compliance reports to monitor purchases of Non-Contract Products will also be available to MMCAP upon request.
6. Wholesaler may not discontinue stocking an MMCAP Contract Product unless there are fewer than three (3) units sold per month per distribution center. For Products marked as non-stock, Wholesaler must submit a monthly report detailing how equivalent generic purchasing is impacting non-movement.
7. Timeline for new MMCAP Contract Product additions. For newly added MMCAP Contract Products that are currently available, Wholesaler will have the Products loaded, stocked and viewable in its system and ready for delivery in accordance with the goals specified in Table 4.5E: Wholesaler Created Stock Outage.
8. Timeline for MMCAP Contract Products that are not stocked. For MMCAP Contract Products that are not stocked, an MMCAP Participating Facility may request the Wholesaler to add the Product to inventory at the applicable distribution center by contacting customer service or its account representative. Wholesaler will have the Products loaded, stocked and viewable in its system and ready for delivery in accordance with the goals specified in Table 4.5E: Wholesaler Created Stock Outage, unless the MMCAP Contract Product is delayed due to manufacturer unavailability or other factors outside Wholesaler's control. In the event the fulfillment of any of the requests will take longer than what is specified in Table 4.5E: Wholesaler Created Stock Outage, Wholesaler will provide prior written notice of the delay and the reason for the delay to the requesting MMCAP Participating Facility and MMCAP.
9. In the event MMCAP chooses to process Failure to Supply claims on behalf of MMCAP Participating Facilities, the Wholesaler is to receive 30 days' advance written notice. Wholesaler agrees to accept electronic claims from MMCAP, and/or MMCAP Participating Facilities. Electronic claims will identify the specific Contract Products for which alternative products were purchased and the amount of reimbursement claimed on behalf of each MMCAP Participating Facility for the additional cost incurred in purchasing the alternative products. Reimbursement amounts will be calculated by subtracting the MMCAP Product invoice amount from the purchase invoice amount, excluding all other fees. Wholesaler must pay such claims in the form of a credit within 30 days of the receipt of a claim described above. If the Wholesaler does not pay such claim within such thirty (30) day period, MMCAP will have the right to charge, and the Wholesaler agrees to pay, a late fee equal to the statutory maximum, defined in Minn. Stat. § 16D.13, as the allowable percentage per month of the amount of any unpaid claim.
10. Wholesaler's designated contacts for all usage, inventory, and special order questions for MMCAP are Holly Kartscher, [holly.kartscher@cardinalhealth.com](mailto:holly.kartscher@cardinalhealth.com), 614-757-4622 and Kevin Wells, [kevin.wells@cardinalhealth.com](mailto:kevin.wells@cardinalhealth.com), 614-757-7924. MMCAP Participating Facilities can contact their account representatives or customer service.

#### **D. Special Orders**

1. All large, one-time orders should be requested through the MMCAP Participating Facility's Wholesaler account representative or customer service.
2. Special requests may be, but are not limited to: a) special one-time orders, b) governmental entities placing large orders at the end of their fiscal year, c) items to be added to usage information to ensure



they are included as routine stock items at the distribution center, d) large quantities of identical lot numbers

3. For large volume orders, no more than ten (10) business days for processing and delivery will be required, subject to supplier availability. Wholesaler will need additional time for special requests requiring the same lot number.
4. Large, one-time orders are not returnable without prior approval of manufacturer or Wholesaler. Wholesaler commits the resources to working with the MMCAP Participating Facility and the manufacturer to find a solution if the product must be returned.
5. Stockpiling Program orders will be facilitated through the Cardinal Health Contract Compliance Contracts & Pricing (CCC&P) staff member, to provide timely review of the specific items to be purchased, dating, and stocking availability for the order to be fulfilled. Appropriate communication throughout the process, from initiation to delivery, will be provided to the MMCAP Participating Facility as well as the MMCAP Stockpiling Program Coordinator.

#### **E. Wholesaler Created Stock Outages**

1. Backorders due to Wholesaler created Stock Outages will be fulfilled in accordance with the goals specified in Table 4.5E: Wholesaler Created Stock Outage.
2. Wholesaler will have the manufacturer ship directly to the MMCAP Participating Facility for Next Day Delivery if available by the manufacturer and if the Product is deemed critical by the MMCAP Participating Facility. MMCAP agrees to work with Wholesaler on abusive situations.
3. MMCAP Participating Facilities that have MMCAP Contract Products, deemed critical, drop shipped to them directly from a manufacturer as a result of Wholesaler created Stock Outages will not be charged additional fees.
4. Manufacturer fees or fees to expedite orders for MMCAP Contract Products drop-shipped due to Wholesaler created Stock Outages are not allowed.
5. MMCAP Contract Products that are drop-shipped due to Wholesaler created Stock Outages will have Wholesaler's service fee discount applied.
6. MMCAP Participating Facilities can place Products on backorder by calling Wholesaler's customer service department, otherwise orders for Products on backorder will be cancelled. Placing a Product on backorder enables the MMCAP Participating Facility to receive the Product upon availability without placing a reorder. The option to utilize auto-backorder function is available, but must be approved by the MMCAP Participating Facility. Use of Order Express will allow the MMCAP Participating Facility to select order exceptions from the Order Confirmation, and choose to add the Product(s) on a Backorder List. This Backorder List displays updated availability information and may be edited by the MMCAP Participating Facility. When a backorder Product comes back into stock and is allocated to the order, the MMCAP Participating Facility will receive an alert in Order Express that the Product is available to ship.
7. If Product is transferred from an alternative distribution center in order to resolve a Stock Outage situation due to Wholesaler created Stock Outages no fees will apply.
8. If the Wholesaler fails to make prompt shipment of MMCAP Contract Products due to Wholesaler created Stock Outages, Wholesaler's ordering system(s) view errors, cancellations by Wholesaler, or backorders (excluding manufacturer back-orders), the ordering MMCAP Participating Facility may buy an alternate equivalent (generic) substitute Product from Wholesaler for the period in which the Wholesaler is unable to provide the Product. The Wholesaler will be liable to the MMCAP Participating Facility for any excess cost over the MMCAP Contract Product price and the alternate price of the Non-Contract Product. This will be in effect for 90 calendar days from the date the Wholesaler is first unable to supply the Product to an MMCAP Participating Facility. Credits due to an MMCAP Participating Facility based on excess Product procurement costs caused by a Wholesaler created Stock Outage or cancellation/backorder will be routed from the Wholesaler back to the participating MMCAP Participating Facility in the form of an account credit.



9. When an MMCAP Participating Facility calls in regard to a Product that is temporarily out of stock, customer service will coordinate efforts through the servicing Distribution Center and applicable Inventory Departments to bring the requested Product into stock, as long as the minimum stocking requirement of three (3) units per month is met. It is acknowledged by MMCAP that applicable Pedigree requirements may limit the Wholesaler's ability to provide alternate service for temporarily out of stock and other product shortages.
10. Wholesaler will notify MMCAP at least ten (ten) business days in advance of any changes to the list of possible inventory stocking codes viewable on its online ordering system(s). A complete list of all possible stocking codes and thorough descriptions of each code will be provided. MMCAP and MMCAP Participating Facilities must be informed of any potential changes to demand shift logic and stocking request procedures.

**Table 4.5 E: Wholesaler Created Stock Outage**

Wholesaler created "Stock Outages"	Goal to have stock available to ship to an MMCAP Participating Facility	Criteria for when Failure to Supply (FTS)* Applies
<b>Current Contract Products</b>		
MMCAP Contract Product not in stock in Distribution Center and stock is available from national warehouse if applicable.	<ul style="list-style-type: none"> <li>• <b>Goal: 3 business days.</b></li> </ul>	<ul style="list-style-type: none"> <li>• FTS applies when Wholesaler has <b>exceeded five (5) business days.</b></li> <li>• FTS applies when Wholesaler has <b>exceeded seven (7) business days</b> for MMCAP Contract Products that are not stocked due to utilization levels</li> </ul>
MMCAP Contract Product not stocked in distribution center, available from another distribution center (if applicable) where there may be a Contract Product item surplus.	<ul style="list-style-type: none"> <li>• <b>Goal: 3 business days.</b></li> </ul>	<ul style="list-style-type: none"> <li>• FTS applies when Wholesaler has <b>exceeded five (5) business days.</b></li> </ul>
MMCAP Contract Product not in stock at a specific distribution center, and not stocked at the national warehouse or another distribution center, when the MMCAP Participating Facility attempts to order and subsequent request to stock is made to Wholesaler (assumes Contract Product is not MBO or on Manufacturer Allocation).	<ul style="list-style-type: none"> <li>• <b>Goal: 5 business days.</b></li> </ul>	<ul style="list-style-type: none"> <li>• FTS applies when Wholesaler has <b>exceeded ten (10) business days for Rx and fifteen (15) business days for Consumer Health/OTC</b> products for MMCAP Products currently meeting 3 units of usage at the distribution center.</li> <li>• FTS applies when Wholesaler has <b>exceeded fifteen (15) business days</b> for MMCAP Contract Products that are not stocked due to utilization levels.</li> </ul>

**Table 4.5 E: Wholesaler Created Stock Outage (Cont.)**

Wholesaler created “Stock Outages”	Goal to have stock available to ship to an MMCAP Participating Facility	Criteria for when Failure to Supply (FTS)* Applies
<b>Newly Added Contract Products</b>		
New Contract Product – relationship with Mfg/Sup already established and NDC/UPC is already stocked at the distribution center for other Wholesaler’s customers.	<ul style="list-style-type: none"> <li><b>Goal: 3 Business Days.</b></li> </ul>	<ul style="list-style-type: none"> <li>FTS applies when Wholesaler has <b>exceeded five (5) business days</b> from the time the Wholesaler receives notification that the Product has been added to the MMCAP Contract.</li> </ul>
New Contract Product– relationship with Mfg/Sup already established; product is not stocked at National Logistics Center or distribution centers for other customers.	<ul style="list-style-type: none"> <li><b>Goal: 10 Business Days.</b></li> </ul>	<ul style="list-style-type: none"> <li>FTS applies when Wholesaler has <b>exceeded fifteen (15) business days</b> from the time the Wholesaler receives notification that the Product has been added to the MMCAP Contract.</li> </ul>
New Contract Product – relationship with Mfg/Sup needs to be established	<ul style="list-style-type: none"> <li><b>Goal: Not to exceed ninety (90) calendar days</b> from the time the Wholesaler receives notification that the Product has been added to the MMCAP Contract.</li> </ul>	Due to the variability in the timing of establishing a new manufacturer/supplier relationship, an MMCAP Participating Facility will not have access to a Failure to Supply remedy, unless Wholesaler fails to inform MMCAP, in writing, of difficulties with the specific manufacturer/supplier.
<b>Shift Demand</b>		
<p>Shift demand of Cardinal Key equivalent(s) when a lower priced product comes on as a new Contract Product</p> <p>Assumes manufacturer has product available to ship to the Wholesaler, as of the specified effective date.</p>	<ul style="list-style-type: none"> <li><b>Goal: Ten (10) business days.</b></li> </ul>	<ul style="list-style-type: none"> <li>FTS applies when Wholesaler has <b>exceeded fifteen (15) business days</b> MMCAP provides notification to the Wholesaler or the new Contract Product effective date, whichever is later, to ensure the new generic Product is loaded, viewable, and stocked at each distribution center where there is MMCAP Contract and/or Non-Contract usage for Cardinal Key equivalents.</li> </ul>

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**Table 4.5 E: Wholesaler Created Stock Outage (Cont.)**

Wholesaler created “Stock Outages”	Goal to have stock available to ship to an MMCAP Participating Facility	Criteria for when Failure to Supply (FTS)* Applies
<b>Shift Demand</b>		
<p>When a dual/multiple award Contract Product is discontinued, demand is to be shifted to a less active, Cardinal Key equivalent, alternative Contract Product. This demand shift and stocking is required as not to disrupt access to an alternative Contract Product.</p> <p>Assumes manufacturer has product available to ship to the Wholesaler, as of the specified effective date.</p>	<p><b>Goal: Five (5) business days.</b></p>	<ul style="list-style-type: none"> <li>• FTS applies when Wholesaler has <b>exceeded ten (10) business days for Rx and fifteen (15) business days for Consumer Health/OTC</b> from when MMCAP provides notification to the Wholesaler of Contract Product being discontinued, to ensure the less active, alternative Contract generic Product is loaded, viewable, and stocked at each distribution center, for MMCAP Products currently meeting 3 units of usage at the distribution center.</li> <li>• FTS applies when Wholesaler has <b>exceeded fifteen (15) business days</b> for MMCAP Contract Products that are not stocked due to utilization levels.</li> </ul>
<p>* FTS = Failure to Supply, where MMCAP Participating Facility is provided a credit of the difference between the lower cost Contract Product not available and the higher cost product (either Contract or Non-Contract) that is purchased from Wholesaler as a result of the Wholesaler exceeding the specified business days in stocking the Contract Product. Wholesaler will not be responsible to pay FTS claims for MMCAP Contracted products that are on supplier disruption (i.e., manufacturer backorder, manufacturer allocation, etc.) or products in which the supplier cannot support the additional volume requested. All FTS claims will be subject to the same exclusionary rules as identified in section 4.5, G Service Levels, under MBO Units.</p>		

**Failure to Supply (FTS) MMCAP Contracted Products Process:**

1. If Wholesaler fails to maintain sufficient inventory of MMCAP Contract Products to meet the anticipated needs of MMCAP Participating Facilities, an MMCAP Participating Facility may purchase an alternate equivalent generic product from Wholesaler for the period in which Wholesaler is unable to provide the Product. Wholesaler will be liable for any excess cost over the MMCAP Contract Price for a period of 90 calendar days from the date the Wholesaler is unable to supply the MMCAP Contract Product to an MMCAP Participating Facility.
2. Wholesaler will use the price of the MMCAP Contract Products and the invoice price of the alternate generic product to determine the amount of reimbursement for failure to supply claims.
3. An MMCAP Participating Facility will submit the following information to Wholesaler for each MMCAP Contract Product that reimbursement is expected:
  - MMCAP Participating Facility Name, Address, City, State, Zip
  - MMCAP Participating Facility DEA or HIN
  - MMCAP Participating Facility point of contact for reimbursement (including telephone number and e-mail address)
  - Product description

- Generic Source price
  - MMCAP Participating Facility's purchase price
  - Alternate NDC
  - Alternate NDC manufacturer
  - Alternate NDC purchase price
  - Alternate NDC quantity purchased
  - Alternate NDC date purchased
  - Amount due
  - Reason (e.g., brief description, proof of failed order)
  - A copy of the invoice showing the purchase of an equivalent generic product from the Wholesaler
4. Wholesaler must pay claims directly to the MMCAP Participating Facility via credit memo within 30 days of receipt of a claim.
  5. Wholesaler will be responsible for payment of Failure to Supply claims for 90 calendar days from the date the Wholesaler is first unable to supply the Product to an MMCAP Participating Facility. Credits due to an MMCAP Participating Facility based on excess product procurement costs caused by the Wholesaler's stocking failure will be routed from the Wholesaler back to the MMCAP Participating Facility in the form of an account credit.
  6. Wholesaler's address for FTS reimbursement:  
Electronic filing address: [tiffany.kuhel@cardinalhealth.com](mailto:tiffany.kuhel@cardinalhealth.com)

Wholesaler will provide training to MMCAP Participating Facilities using Wholesaler's Generic Drug Program to include:

1. Ordering training to all MMCAP Participating Facilities desiring training, to include ordering of non-stocked MMCAP Contract Products to be stocked as inventory in Wholesaler's distribution center and available for prompt delivery.
2. Ranking for both MMCAP and Wholesaler's Generic Drug Program contracts by contract and by price.
3. Filtering and sorting products to find the lowest priced item by purchased size or unit of measure.

#### **F. Manufacturer Backorders**

1. Wholesaler's order entry system will provide notification prior to order of all Manufacturer Backorders.
2. Wholesaler will also list all Manufacturer Backorders on its ordering website and the MMCAP Participating Facilities can call customer service.
3. Notifications of Manufacturer Backorders will be provided by Wholesaler's weekly "Service Flash," which is available via Wholesaler's website or push e-mail. Backorder notices will contain an expected date of resolution as well as the reason for the backorder (e.g., raw material shortage), if the information is available from the supplier. When information is not forthcoming from the supplier, the Wholesaler's standard procedure is to make the "date out" two (2) months from the notification, following up with the supplier on an every two week basis to obtain the appropriate updated information as to when products will be available. Wholesaler's "Service Flash" will also list recalled Products, discontinued Products, and Products on allocation.
4. Wholesaler acknowledges and agrees that its policy is to kill or fill all orders at order placement unless the MMCAP Participating Facility is set up to receive backorders.
5. MMCAP Participating Facilities with questions in regard to recalled, allocated, and discontinued Products on backorder should call Wholesaler's customer service.

**G. Service Levels**

1. Raw and Adjusted Fill Rates will be calculated on a monthly basis for each MMCAP Participating Facility's account(s) (including 340B Drug Pricing Program accounts) serviced by the Wholesaler. Raw and Adjusted Fill Rates will also be calculated for MMCAP as a group as well as by each distribution center servicing MMCAP Participating Facilities.
2. Wholesaler must submit a Raw and Adjusted Fill Rate Report using the calculations defined below (Service Level Definitions) for each MMCAP Participating Facility, distribution center serving MMCAP Participating Facilities, and by MMCAP as a group to MMCAP on a monthly and a quarterly basis. See also Section 4.19 Mandatory Reports, for report requirements.
3. Service Levels will be defined as follows:
  - a. Raw Fill Rate will be calculated by dividing the number of units delivered by the number of units ordered.

$$\text{Raw Fill Rate} = \frac{\text{Number of Units Delivered}}{\text{Number of Units Ordered}}$$

Orders for Products that are not filled as a result of Wholesaler being out of stock of such Products will be considered as a line item for Product ordered in this calculation regardless of the reason for Wholesaler being out of stock.

- b. Adjusted Fill Rate will be calculated by dividing the number of units delivered by the number of units ordered minus the number of Manufacturer Backorder (MBO) units.

$$\text{Adjusted Fill Rate} = \frac{\text{Number of Units Delivered}}{\text{Number of Units Ordered} - \text{MBO Units}}$$

MBO Units will include:

- Orders for Products made but not shipped because of industry wide shortages or other issues beyond the control of Wholesaler as demonstrated by Wholesaler to the reasonable satisfaction of the MMCAP Managing Director, lead pharmacist, and lead financial representative (e.g., Manufacturer Unable to Supply, Manufacturer Allocations, Manufacturer Backorders, Manufacturer Recalls, and Manufacturer Discontinued).
  - Purchases of Products which exceed 150% of the previous months activity
  - Products ordered which are filled and delivered within 24 hours of the original order
  - Partial shipments if 75% or more of the order can be completely filled within 48 hours
  - Unavailable Products repeatedly ordered within 72 hours of the original order
  - Special orders requiring shipment from the manufacturer
  - Non-stock Products that are not under contract with MMCAP
  - Contract rolls/awards where notifications from MMCAP are received with less than 4 weeks' notice prior to transition of addition (e.g., bid year transition). Wholesaler may only include Products in MBO Units for 30 calendar days after notification.
- c. Non-Contract OTC Products will not be included in the Adjusted Fill Rate.
  4. Wholesaler agrees to maintain a monthly Adjusted Fill Rate for pharmaceutical Products of at least 98.5% (calculated as set forth above) for each MMCAP Participating Facility account. Pharmaceutical Products include but are not limited to: MMCAP Contract and Non-Contract prescription drug Products, MMCAP Contract OTC Products, IV solutions, contrast media, nutritionals, and anesthesia gases.
  5. If the monthly Adjusted Fill Rate for pharmaceutical Products (calculated as set forth above) for a MMCAP Participating Facility account falls below 98.5%, Wholesaler will provide the affected MMCAP Participating Facility an action plan for improvement and will work in good faith to resolve the Adjusted Fill Rate issue.
  6. Service level requirements for MMCAP Participating Facilities currently utilizing the Wholesaler will begin 30 calendar days following the effective date of this Contract. The service level for new MMCAP

Participating Facilities added to this Contract after the effective date will begin 30 calendar days from the time Wholesaler receives the MMCAP Participating Facility's first order.

## **H. Shift Demands**

The Wholesaler will perform weekly maintenance in the Wholesaler's procurement system, shifting demands for additions and deletions where applicable. The Wholesaler will use Cardinal Key, (specific for active ingredient, route, dosage form, pack size and strength), rather than NDC to aid in shift demand stocking decisions. Brand to Generic Shift. When a branded pharmaceutical Product patent release approaches, Wholesaler will utilize the following process to ensure MMCAP Contract Products are expedited for the newly awarded generic.

- a. Ten (10) business days prior to patent expiration:
    - Wholesaler will run a sales report capturing three (3) months of purchase history on the branded pharmaceutical Product.
    - Sales history will be provided to MMCAP and a reminder sent that the Wholesaler plans to shift demand from the branded pharmaceutical Product to the awarded generic Product.
    - MMCAP will notify Wholesaler of the awarded generic Product at the same time MMCAP notifies the awarded generic Product manufacturer.
    - Wholesaler will provide MMCAP with a summary of the shift demand that occurred per distribution center.
    - Upon manufacturer launch and/or availability, Wholesaler will have demands shifted and will expedite the new MMCAP generic Contract Product into applicable distribution centers.
  - b. A shift demand will occur for all Product presentations for which there was a brand Product available. For example, if the brand Product was available in 100-count bottles, 500-count bottles and unit dose packaging (UD100ea x 1), Wholesaler will shift demand generically for all three presentations, if available.
  - c. Shift demands will be converted even if bottle or package size varies. For example, if the brand Product was available in 60 count bottles but the generic Product is available in 100 count bottles, demand will be shifted to the 100 count bottles.
  - d. Shift demands will not take place on additional bottle sizes or unit dose packaging that was not previously available unless Wholesaler is directed by MMCAP to do so. MMCAP will notify Wholesaler of expected shift demands through its weekly contract update process.
1. Generic to Generic Shift. Wholesaler will process shift demands for multi-source generic Products added to contract upon notification of an award from MMCAP. Wholesaler has ten (10) business days from the time of MMCAP notification or until the product effective date, whichever is later, to have the new generic Product loaded, viewable, and stocked at each distribution center where there is MMCAP contract and/or non-contract usage for equivalent generic Products. This time line assumes that the manufacturer has the Contract Product ready to ship to the Wholesaler on the effective date specified. Wholesaler will provide MMCAP with a summary of the shift demand that occurred per distribution center.
  2. Additional Services and Activities
    - a. Wholesaler will provide a weekly price change report to MMCAP to assist in monitoring price reductions for multi-source generics. Wholesaler will do shift demands for price decreases upon MMCAP request.
    - b. Weekly maintenance is run in the Wholesaler's procurement system, shifting demands for additions and deletions where applicable.

## **4.6 Management of MMCAP Contract Products**

### **A. Price Loading and Pricing Accuracy**

1. Wholesaler will be responsible for processing the MMCAP Contract File Updates, or the files sent to the Wholesaler by MMCAP which specify the Products and pricing that MMCAP has negotiated with its contracted manufacturers. Wholesaler will load and make viewable in its ordering system(s) all data lines from MMCAP's Contract File Update notifications within five (5) business days from the date of receipt or by the MMCAP Contract File Update effective date, whichever is later. When manufacturer verification is needed in order to load an MMCAP Contract Product and the MMCAP-contracted manufacturer has not responded or provides data that is inconsistent with the MMCAP Contract File Updates, Wholesaler will promptly notify MMCAP in writing no later than two (2) business days (after the five (5) business days allowed for Wholesaler processing).
2. Wholesaler agrees that any notice received from an MMCAP-contracted manufacturer or supplier for a price or Product change on an MMCAP Contract Product will be forwarded to MMCAP in the form of a weekly contract change report (see Section 4.19, Mandatory Reports). Wholesaler agrees to provide credits/rebills at no charge to correct pricing in the event that MMCAP and its contracted manufacturers disagree in regard to price and Product loading.
3. Price change reports will be available to all MMCAP Participating Facilities at any time via Wholesaler's ordering system(s).
4. Provided that Wholesaler has received all requested account set-up information, Wholesaler will have all MMCAP contract and individual contracts loaded prior to the MMCAP Participating Facility's first order. This includes all tiered contracts, if applicable, per receipt of documentation from the supplier.

### **B. Product Additions/Deletions**

1. Wholesaler may not add or remove any MMCAP Contract Products from its database without providing prior written notification to MMCAP. Written notification can consist of the latest weekly Contract Change report which lists all changes made within the past week to the MMCAP contract (see Section 4.19, Mandatory Reports).
2. Wholesaler agrees to maintain an Adequate Supply for a Product that is added to the MMCAP contract due to a change in the NDC number, Product deletion, and replacement of a Product by the manufacturer, and in situations where Wholesaler is notified that MMCAP has determined a need to switch its procurement selections. Immediately upon notification of the change, Wholesaler will generate a usage report for the old item. This report will be used to decrement the old item(s) and increment the new item(s) as needed, to procure Product in a timely manner to satisfy MMCAP Participating Facilities' needs.

### **C. Convenience and Individual Contracts**

1. MMCAP Contract Products priced at Wholesale Acquisition Cost – zero percent (WAC - 0%) will be reported as on-contract purchases.
2. Wholesaler agrees that contract purchases for WAC – 0% will receive Wholesaler's service fee discount, as set forth in Attachment C, Service Fee Discount Matrix.
3. Wholesaler will not charge any delivery fees for MMCAP Contract WAC – 0% Products if they fall within the MMCAP Participating Facility's normal delivery schedule.
4. Upon request of an MMCAP Participating Facility and after prior approval by MMCAP in writing, Wholesaler will supply and distribute Products acquired under contracts individually negotiated with (e.g., pharmaceutical) manufacturers by an MMCAP Participating Facility. Service fee discounts will be applied to purchases made from MMCAP Participating Facility individually negotiated contracts.

**D. Product Expiration Dating**

1. At a minimum, expiration dating for all MMCAP Contract Products and Non-Contract Products delivered under this Contract must have a minimum shelf life of six (6) months expiration dating remaining upon delivery to the MMCAP Participating Facilities.
2. Shipment of Product with expiration dating of less than six (6) months requires the prior approval of the MMCAP Participating Facility before release and delivery of the short-dated Product.
3. If Wholesaler distributes short dated Product to an MMCAP Participating Facility without prior approval, the Product may be returned to Wholesaler, with the MMCAP Participating Facility being credited for the return, subject to Attachment A, Section 4.12 H, Goods Returned to the Wholesaler.

**4.7 Ordering Equipment****A. Ordering System**

1. Wholesaler will provide to each MMCAP Participating Facility an ordering method that allows the facility to quickly and accurately order MMCAP Contract Products, within the technological capabilities of the MMCAP Participating Facility. At a minimum, Wholesaler's ordering system(s) must provide the following functionalities:
  - a. Clearly identify all MMCAP Contract Products and whether these Products are in stock
  - b. Build and place electronic orders
  - c. Review pending orders for correctness and contract compliance
  - d. Provide online allocation of ordered amounts
  - e. Receive Order Confirmation reports
2. Wholesaler will offer its ordering system(s) to MMCAP Participating Facilities. Wholesaler currently supports the following ordering methods: Internet, EDI, phone orders via interactive voice response, direct call to customer service, handheld device ordering, and fax orders. All ordering methods described below require minimal setup and implementation work with the exception of EDI.
  - a. **Telxon** – is a hand held ordering system which allows MMCAP Participating Facilities to order at the SKU level directly from the shelf location.
  - b. **TeleServe** - allows MMCAP Participating Facilities access to Wholesaler's Stock Support Line (866-958-2200) 24 hours a day, 7 (seven) days a week to order Product and check stock status. TeleServe is tied into Wholesaler's pharmaceutical distribution system so users receive instant confirmation that Product is available and will be shipped with the next delivery. The system features interactive voice response.
  - c. **Cardinal.com** - is a pharmacy order and inventory management solution available via the Internet. Cardinal.com features real-time stock status, real-time allocation of Products, instantaneous Order Confirmation, electronic credits and returns, and reporting capabilities.

Cardinal.com will be sunset, once all MMCAP Participating Facilities have been converted and transitioned to Order Express. The Wholesaler's Account Management team will continue working with MMCAP Participating Facilities to convert them from Cardinal.com to Order Express. Transition planning and execution includes account setup, training, and follow up to ensure compliance. Wholesaler's goal is to convert all current and new MMCAP Participating Facilities to Order Express by the end of FY15. Wholesaler will report monthly to MMCAP, the status of the conversions and transition timelines.

- d. **Order Express** – is a web-based order entry and inventory management system that will provide MMCAP Participating Facilities with real-time access to up-to-date product information including product availability, immediate order confirmations, 36 months of purchase history for reporting, and other reporting capabilities.
- e. **EDI Capabilities** - the process for Electronic Purchase Orders begins with the receipt from a customer of an EDI PO (850), followed by the delivery to the customer of an Order



Confirmation (855), an Advanced Shipment Notice (ASN) (856) is created once the order is picked, then an Electronic Invoice (810), which is followed by a Electronic Funds Transfer Remittance Advice (820) from the customer. The Wholesaler is required to support all 810, 894 and 880 EDI protocol documents for electronic invoicing as well as 820 notices for electronic remittances. If an MMCAP Participating Facility chooses to implement an EDI solution, Wholesaler will have a dedicated staff who will work with the customer and the third party vendor to develop the appropriate interface to begin trading files.

- f. **Mobile Solutions** with the MC70 Handheld Scanner- allows customers to order, receive, and inventory Product using a handheld device. The user can send/receive current catalog data, submit orders, transfer orders to Cardinal.com, and retrieve receiving data. The device offers greater flexibility in the management of the receiving process, allowing receiving to take place at any location within the pharmacy. Mobile Solutions utilizes wireless technology. Mobile Solutions will be retired along with Cardinal.com and is to be replaced with Order Express with MC40.
- g. **Mobile Order Express with MC40** - allow a user to build and place an order, perform physical inventory and receive their shipment of orders all on the device with no need to cradle or sync to a computer. The Mobile website seamlessly integrates with the desktop experience on Order Express giving the user easy access to the best of both features. With instant synchronization of data between the desktop and mobile experience, any user can review and modify actions throughout the ordering process. The MC40 scans directly in the Mobile Order Express website obtaining the most recent catalog and pricing which provides the pharmacy with accurate stock and pricing information.

The MC1000 builds an order and take inventory offline. The MC1000 syncs with Order Express to allow easy access to ordering and inventory files. The MC1000 carries a full product catalog of available products and displays product details remotely on the device.

## **B. Hardware, Software, and Devices**

- 1. Wholesaler agrees that all fees charged for software and/or ordering devices will be listed in Attachment B, Discounts and Fees.
- 2. Telxons will be provided upon request and based on need, depending upon availability in the Wholesaler's supply network. As a result of enhanced handheld device technology, Telxons do not interface with Order Express and will therefore be completely phased-out with Cardinal.com
- 3. MMCAP Participating Facilities that have existing hardware provided by Wholesaler previously will have it remain until it no longer functions or is not needed by the facility. Wholesaler's handheld devices require the installation of Microsoft's Active Sync 4.5 which is currently provided by Microsoft as freeware.
- 4. Wholesaler's CSOS requires the installation of Axway's Cyclone Activator which is provided by Wholesaler at no charge. Wholesaler is working to have CSOS technology available to MMCAP Participating Facilities that does not require the use of Java.

## **C. Installation and Training**

- 1. Wholesaler agrees that all provided hardware, software, and ordering devices will be fully functional at time of installation.
- 2. Software updates, system changes, and training will be facilitated through a variety of communication methods. Scheduled maintenance as well as new Product offerings and enhancements will be detailed on the MMCAP Participating Facility's Cardinal.com or Order Express home page. Training can either be provided on-site by the business/IT team or the MMCAP Participating Facility will have the option to participate in monthly application training webinars.

3. Wholesaler's software for CSOS and Mobile Solutions can be downloaded from the Internet. System requirements and installation instructions for CSOS and Mobile Solutions will be available from Wholesaler upon request.
4. Training will include:
  - a. Proper use of order entry devices including computer and hand held units
  - b. How to access and interpret Wholesaler's inventory status
  - c. Order placement process (Product inquiry, placement, order edit, printback confirmation, etc.)
  - d. Any required ordering system maintenance
  - e. Downloading price changes
  - f. Performing file maintenance
  - g. Requesting or printing bar code labels
  - h. Download/Run/Print/Export contractually required reports
  - i. Operation of Inventory Management program
  - j. Identifying MMCAP Contract Products (e.g., contract ranking)
  - k. Any other commercially available training in use of the equipment or ancillary items
  - l. Contact information in case of questions regarding ordering
  - m. Training guides or manuals and system operating manuals, accessible on-line (including all updates), for all equipment and software furnished by the Wholesaler to each individual ordering facility
  - n. Assigning of account login IDs and passwords
  - o. Item Return Processing Training
  - p. Technical support to interface hand held devices with each facility's PC/network infrastructure.
5. Wholesaler will make available to each facility online training documents and videos for the Order Express ordering system being used by the MMCAP Participating Facility that outlines all of the functions on the online ordering tool. Wholesaler will work with MMCAP to develop other training processes.

#### **D. Inventory at an MMCAP Participating Facility**

Wholesaler will provide, at no cost to the MMCAP Participating Facility, training, software, reports, and handheld devices to perform an onsite inventory. Hiring a physical inventory company is not included in these services. Requests for inventory support need to be made directly with the MMCAP Participating Facility's account representative or customer service. Wholesaler recommends at least fourteen (14) day lead time to reserve extra handheld devices for use in performing inventory; Wholesaler will take reservations for handheld devices up to 60 calendar days prior to the inventory date. MMCAP Participating Facilities may also request a set of shelf labels to be printed using the facilities' purchase history. The labels can be printed in Brand or Generic name order for ease of use. Training on the inventory procedure may be on-site or online.

#### **E. Ordering System(s) Back-up Service, Maintenance and Repair**

Wholesaler agrees to provide all software updates and system maintenance at no cost for the term of this Contract. Cardinal.com is Internet-based and therefore requires routine site maintenance. Order Express, while web-based, also requires routine maintenance. Wholesaler agrees that maintenance on either ordering system will only occur on weekends and MMCAP Participating Facilities will be notified in advance. The Wholesaler reserves a maintenance window for Cardinal.com and Order Express of Saturday 8pm through Sunday 8am EST. TeleServe stock status line, Telxons, faxes, and calling the customer service department will serve as back-ups for Wholesaler's ordering systems. If computer maintenance is required, Wholesaler will replace or repair accordingly.

**F. Label and Marking**

Wholesaler's online ordering system(s), Order Express, will print shelf labels, on-site, on demand. MMCAP Participating Facilities may also call Customer Service to request shelf labels. Wholesaler can provide contract status on its shelf labels. However MMCAP Participating Facilities can also request that the contract name field be added to their yellow Product sticker format which will aid in the identification of MMCAP Contract Products.

**4.8 Order Placement****A. Wholesaler's Ordering System(s)**

1. Wholesaler's ordering system(s) will display the following information:
  - MMCAP Participating Facility's name
  - Wholesaler assigned account number
  - Product Name
  - Wholesaler's Product Number
  - Generic Name
  - Product Description
  - Strength
  - Packaging
  - Manufacturer
  - Unit dose indicator
  - Form (e.g., tablet, capsule, etc.)
  - National Drug Code (NDC) for applicable Products
  - Wholesale Acquisition Cost
  - Average Wholesale Cost
  - Orange Book Rating – Referred to as AB rating
  - Universal Product Code (UPC), where applicable
  - Product Control Schedule (e.g., CII)
  - DEA number (where applicable)
  - Type of contract – contract identification or code that identifies product as an MMCAP Contract Product, Non-Contract, 340B Drug Pricing Program contract, or alternate contract Product
  - Contract price (specific to the pricing and contract eligibility of each MMCAP Participating Facility).
  - Product denoted as available as a Drop Shipment
  - Product inventory status (e.g., stocked, unavailable due to MBO, Wholesaler Out of Stock, or allocation situations)
  - Real-time Product inventory quantity available (Product in stock minus those allocated to orders)
  - Alternate Product search option
  - Product inquiry search option
  - Automatic substitution information option
2. Wholesaler's ordering system(s) cannot display the following information:
  - Universal Product Number (UPN), - not currently on development plans for an addition to ordering systems(s) data fields
  - HIN number (where applicable) – will be made available Summer 2015
3. Wholesaler agrees that all new MMCAP Participating Facilities will be started with a standard default ordering set-up to ensure MMCAP contract compliance. This default set-up will be approved by MMCAP prior to being deployed.

4. All MMCAP Contract Products and MMCAP Participating Facility individually negotiated contracts will be loaded in the prime or first position (with price being the ranking determinant between MMCAP Contract Products and individually negotiated contracts) and be visible in Wholesaler's ordering system(s). In situations where the MMCAP Contract Product and another item are the same price, the MMCAP Contract Product and price will be loaded and visible. When there is a lower cost option for which there is a shared NDC, the lower cost option will be visible. Wholesaler's ordering system(s) will clearly identify MMCAP Contract Products. Wholesaler will not redirect MMCAP Participating Facility to other available contracts except with the written request of the MMCAP Participating Facilities.
5. Wholesaler's ordering screen will clearly identify special orders such as controlled substances (e.g., CIIIs), Drop Shipments, and Closed Distribution Products. Closed Distribution Products and Drop Shipment Products are identified in the Stock status field. Drop Shipment Products are denoted with a "DSHP" within the item description.

#### **B. Automatic Substitution**

Automatic substitution will only be permitted upon specific request by an MMCAP Participating Facility, with prior written notification provided by Wholesaler to MMCAP. In instances where the Wholesaler uses the Automatic Substitution process, the MMCAP Participating Facility must be notified of the substitution and the substituted Product must be annotated as such on the MMCAP Participating Facility's Order Confirmation. Once such an agreement is entered into between the Wholesaler and the MMCAP Participating Facility, the Wholesaler will be required to maintain an Adequate Supply of the alternate Product. There will be no commitment to buy the alternate Product and any order consisting of alternate Products will still require the prior approval of the MMCAP Participating Facility. Automatic substitution by the Wholesaler without the MMCAP Participating Facility's prior approval is prohibited. Upon request, Wholesaler will supply MMCAP with a list of facilities using automatic substitution.

#### **C. Confirmation Printback/Order Confirmation**

1. All orders processed through Wholesaler's electronic ordering system(s) will receive a Confirmation Printback or Order Confirmation generated from the Wholesaler's system and sent to the ordering MMCAP Participating Facility. For orders submitted through Cardinal.com or Order Express ordering, an immediate Order Confirmation is provided to the user. Additionally, the MMCAP Participating Facility can elect to have the Order Confirmation print automatically to a local printer for each order submitted.
2. Any additional fees for Product distribution will show as a separate line charge on an invoice, but not on the Order Confirmation.
3. Order Confirmations, regardless of the order's source system, can be viewed on Cardinal.com and Order Express once the order has been allocated. The timeframe for allocation is approximately five (5) minutes from the time Wholesaler receives the order. If the MMCAP Participating Facility chooses to receive an EDI Order Confirmation, the Order Confirmation is still generated at the time of allocation, however the file may take anywhere from 10 to 30 minutes to be transmitted to the MMCAP Participating Facility to allow for file translation time.

#### **D. Controlled Substances Ordering System**

1. Wholesaler's Controlled Substance Ordering System (CSOS) will allow MMCAP Participating Facilities to submit secure, electronic orders for controlled substances.
2. Wholesaler will provide CSOS through Cardinal.com and Order Express.
3. Wholesaler's standard turnaround time for the hard copy version of DEA Form 222 is 24 hours to 48 hours, depending on location. If CSOS orders are received by the distribution centers' cutoff time, they will be delivered the next day.

4. Controlled substances ordered on a hard copy version of DEA Form 222 will be shipped upon Wholesaler's receipt of the form or on the Next Scheduled Delivery Day. Wholesaler will not impose any additional shipping charges for ordering controlled substances if the controlled substances are shipped separately from the original order or on the Next Scheduled Delivery Day.
5. For controlled substance orders using electronic CSOS (electronic DEA Form 222), Wholesaler's standard turnaround time is 24 hours. Wholesaler will not apply additional shipping charges for controlled substances when shipped separately from another order due to process delays.
6. All fees for the use of CSOS or for using the hard copy version of DEA Form 222 will be listed on Attachment B, Discounts and Fees.

#### **E. Technical Support for Ordering**

Wholesaler's technical support is available from 7:00 A.M. – 12:00 A.M. EST Monday-Friday and 9:00 A.M.- 9:00 P.M. Saturday & Sunday. From midnight until 8 am, the line will transfer to voicemail, however, Wholesaler's technical staff on site will check voicemail every hour and will respond to any urgent issue. The primary method for contacting technical support is via telephone, however for certain support scenarios, technical support can accommodate requests via email.

#### **F. 340B Drug Pricing Program**

Wholesaler is and must remain for the term of this Contract an Authorized Distributor for the 340B Drug Pricing Program. Wholesaler is required to provide notice in writing to MMCAP, immediately, in the event of a status change. For MMCAP Participating Facilities that are eligible and participating in the 340B Drug Pricing Program, the Wholesaler will maintain two separate purchasing accounts, one for ordering MMCAP Contract Products and one for ordering 340B Drug Pricing Program contract products.

Wholesaler is required to have sufficient subject matter expertise available to MMCAP Participating Facilities to support the complex intricacies of this program.

Service fee/cost of goods discounts are to be applied to 340B purchases, with 340B purchase volume to be included in the total purchasing volume for the state, as it relates to the service fee/cost of goods discount volume matrix.

### **4.9 Delivery**

#### **A. Routine Delivery**

1. Wholesaler agrees that all fees charged for delivery will be listed on Attachment B, Discounts and Fees. Wholesaler will not charge any additional fees for routine service to Alaska or Hawaii.
2. All routine scheduled order shipments will be F.O.B. destination, freight prepaid.
3. Wholesaler will provide delivery services based on average monthly purchasing volume as summarized below. Scheduled delivery days will be communicated at setup.

<b>Average Monthly Purchasing Volume</b>	<b>Number of Free (No-Charge) Deliveries per Week</b>
\$0 - \$25,000	5
\$25,000 and up	5

4. Wholesaler agrees that it will not charge a fuel surcharge for the term of this Contract and any extensions.

5. Wholesaler will provide a daily order and delivery schedule for each MMCAP Participating Facility. All deliveries will be made next day or on the Next Scheduled Delivery Day (excluding Alaska and Hawaii), unless communicated otherwise.
6. Wholesaler's daily order cut off time will be 7 pm local time with the delivery window from 7 am – 3 pm the next day depending on location and distance from servicing distribution center. Orders received Monday through Thursday will be delivered the following day. Orders received Friday will be delivered the next business day (Monday). Wholesaler's distribution centers will make a good faith effort to deliver before noon local time.
7. Wholesaler will provide a Holiday Schedule to each MMCAP Participating Facility and MMCAP throughout the term of this Contract. Wholesaler will notify MMCAP Participating Facilities of the holiday schedule by using tote stuffers.
8. Wholesaler usually makes normal deliveries via its contracted couriers. Delivery to locations outside of the continental US will be accomplished via commercial air, vessel, and local couriers.
9. Wholesaler will stock and deliver Products that require special handling and shipping, such as controlled substances, refrigerated or temperature-controlled Products, oncology or chemotherapy Products, and any hazardous materials. Wholesaler will only ship hazardous materials as allowed by the appropriate government regulations.
10. Same day delivery is not available unless the service can be available through emergency delivery.
11. Damaged Products must be reported to Wholesaler's customer service department as set forth in Section 4.12 H, Goods Returned to Wholesaler, and applicable credits will be issued within three (3) business days from receipt of the damaged item.
12. Lost Products must be reported to Wholesaler's customer service department as set forth in Section 4.12 H, Goods Returned to Wholesaler. Upon reconciliation, Wholesaler will apply credit for lost items as applicable within three (3) business days.
13. Wholesaler must have the ability to ship palletized deliveries via freight companies and must be able to use large companies for dock deliveries instead of small couriers. Orders should be shipped as ordered (by case or by pallet) to the facility so they can be properly unloaded and stored. Wholesaler will ship palletized and case quantity orders on a weekly or twice monthly basis for all distribution centers.
14. MMCAP agrees to work with Wholesaler on abusive situations involving MMCAP Participating Facilities which request special delivery vehicles or methods for routine deliveries.

#### **B. Drop Shipments**

1. All fees associated with Drop Shipments are listed in Attachment B, Discounts and Fees.
2. The Wholesaler will act as a conduit to expedite and simplify the ordering and payment of drop shipped Products.
3. Unless approved by the MMCAP Participating Facility, Drop Shipments directly from product suppliers for recurring orders are prohibited.
4. Products requiring Drop Shipment must be easily identified in Wholesaler's ordering system(s). Wholesaler's Drop Shipment Products are denoted in Cardinal.com and Order Express as DSHP.
5. Timelines for the delivery of Drop Shipment Products will be made per the request of the MMCAP Participating Facility (e.g., expedited shipment, standard delivery, etc). Wholesaler will place Drop Shipment requests with manufacturers or suppliers within one (1) business day of receiving the request from the MMCAP Participating Facility.
6. In the event that Wholesaler is unable to fill an MMCAP Participating Facility's order for an MMCAP Contract Product, Wholesaler will have the Product drop shipped directly from the manufacturer. The MMCAP Participating Facility will not be assessed a fee for this shipment.

**C. Delivery for Special Products**

1. Wholesaler will maintain appropriate temperatures and environmental conditions in accordance with manufacturer requirements for delivery to the MMCAP Participating Facilities. All refrigerated Products will be shipped in returnable coolers with appropriate packaging to maintain the required temperature range. Products requiring refrigeration will be clearly marked as such. Wholesaler will use phase change panels to maintain orders at proper temperatures.
2. All Products will be adequately packaged by Wholesaler. If an MMCAP Participating Facility refuses Product that has been inadequately packaged, the MMCAP Participating Facility must notify Wholesaler's customer service department to log the complaint. Any costs associated with the return of Product due to improper packaging or transport will be at the expense of the Wholesaler.
3. Wholesaler will comply with all DEA requirements for controlled substances.
4. Wholesaler must not distribute MMCAP Contract Products through associated specialty distributors without the prior written approval of MMCAP or without the manufacturer requiring the Wholesaler to do so. Wholesaler has a relationship with Cardinal Health 108, LLC d/b/a Specialty Pharmaceutical Distribution (SPD). SPD is a wholly owned subsidiary of Cardinal Health, Inc. MMCAP acknowledges that certain MMCAP-contracted suppliers have limited distribution networks and that Cardinal SPD will be distributing these manufacturers' products for MMCAP Participating Facilities. Wholesaler is required to apply service fee/cost of goods discounts to any MMCAP Contract Products distributed by Cardinal SPD, and ensure that MMCAP is paid the distributor administration fee on same said products distributed by Cardinal SPD. Wholesaler is also required to ensure that sales distributed by Cardinal SPD are included in the Sales Data Report, as specified in Section 4.19 Mandatory Reporting.
5. In the event a manufacturer charges Cardinal SPD for shipping due to an expedited request by an MMCAP Participating Facility, Wholesaler will line item invoice the MMCAP Participating Facility for the same shipping cost charged by the manufacturer. Backup documentation will be available upon request for any shipping fees that are charged to the MMCAP Participating Facility for products supplied by Cardinal SPD.

**D. Delivery of Bulky Items.**

Bulky items are those products that may be exceptionally cumbersome to deliver. Examples of these products may include cases of nutritional products, IV fluids, etc. In the event that the MMCAP Participating Facility approves the Wholesaler's request to have bulky items drop shipped, the product manufacturer and drop-ship notification is to be annotated on the MMCAP Participating Facility's order confirmation.

Service fee/cost of goods discounts are required to be applied to orders for bulky items for which MMCAP has a contract.

**E. Emergency Order, Placement and Delivery**

Wholesaler's procedure for placement of emergency orders during non-business hours will be made available to each MMCAP Participating Facility upon startup of service. Each MMCAP Participating Facility will be provided twelve (12) emergency orders annually free of charge. Any additional emergency orders beyond the twelve per year that are free will be assessed a fee as detailed in Attachment B, Discounts and Fees. An emergency order is defined as one necessary for immediate and specific patient care which falls outside the normal order and delivery parameters. Using air and ground options, Wholesaler will exhaust all resources in delivering emergency Product in the most timely and efficient methods. Air services may be used at the discretion of the Wholesaler based on the severity of the emergency situation. Wholesaler will make a good faith effort to make emergency deliveries within four (4) hours following receipt of the order. OTC Products are not considered necessary for immediate

and specific patient care and therefore do not qualify for free emergency orders. Service fee discounts will be applied to emergency orders as set forth in Attachment B, Discounts and Fees.

#### **4.10 Pedigree**

In the passage of the Drug Quality and Security Act (H.R. 3204) on November 27, 2013, Title II of the Act, establishes a national system for tracing pharmaceutical products through the supply chain and sets national licensing standards for wholesale distributors. This legislation preempts the current state pedigree and serialization laws, however, as the Drug Quality and Security Act transitions, the Federal pedigree requirements within the Prescription Drug Marketing Act (PDMA) are to remain in effect for the immediate future.

The Wholesaler is required to comply with all aspects of Drug Quality and Security Act as it transitions, and until January 1, 2015, to continue to comply with PDMA. During the interim period, from DSCSA being passed, 11/27/13, until 1/1/15, the current federal minimum standards for the wholesale distribution of prescription drugs apply, meaning PDMA remains in effect and can be enforced. Cardinal Health is an Authorized Distributor of Record for all prescription drugs distributed and is therefore not required to pass pedigree under PDMA.

If any new transitions of the Drug Quality and Security Act which require change(s) to the current pharmaceutical distribution procedure(s), a minimum of 30 calendar days' notice of the change(s) will be provided so MMCAP Participating Facilities can prepare. Wholesaler agrees to provide next day service for those Products requiring a Pedigree.

As the Drug Quality and Security Act, Title II is a requirement upon wholesalers as a national licensing standard, Wholesaler will not charge any fees throughout the term of this Contract and any extensions to MMCAP or MMCAP Participating Facilities related to complying with this Act.

As part of the quarterly executive business review with MMCAP, the Wholesaler will be required to provide updates on the Drug Quality and Security Act, Title II transition and how the Wholesaler is integrating compliance aspects into its work deliverables to MMCAP Participating Facilities and MMCAP.

#### **4.11 Contract Compliance**

##### **A. On-Contract Purchasing**

Wholesaler agrees to encourage MMCAP Participating Facilities to purchase MMCAP Contract Products. Wholesaler must not condone or encourage in any way the purchase substitution of an MMCAP Contract Product with that of a Non-Contract Product. To ensure overall MMCAP Participating Facility contract compliance, Wholesaler may be asked to provide, at no cost to the MMCAP State Contacts in each state served by the Wholesaler, a monthly report containing the following fields:

1. MMCAP Participating Facility name
2. Wholesaler account number
3. Contract volume (in dollars) by facility
4. Not-on-contract volume (in dollars) by facility
5. Total volume (in dollars) amounts by facility
6. Number of line items shipped to the facility

##### **B. Compliance Calculations**

Wholesaler agrees to report contract compliance using MMCAP's preferred calculations when requested by MMCAP, MMCAP Participating Facilities, or any other entities designated by MMCAP.



**1. Raw Contract Compliance:****MMCAP Contract Sales<sup>a</sup>****Total Sales<sup>b</sup>**

- a. MMCAP Contract Sales: Products for which MMCAP has negotiated a contract
- b. Total Sales consist of MMCAP Contract Sales, Alternate Contract Sales, Wholesaler's Generic Drug Program pricing, and non-contract sales.

**2. Adjusted Contract Compliance:****MMCAP Contract Sales<sup>a</sup> + Alternate Contract Sales<sup>b</sup>****Total Sales<sup>c</sup>**

- a. MMCAP Contract Sales: Products for which MMCAP has negotiated a contract
  - b. Alternate Contract Sales consist of Products purchased under the 340B Drug Pricing Program, Products purchased from contracts individually negotiated by the MMCAP Participating Facilities, and/or Products purchased from the Wholesaler's Generic Drug Program.
  - c. Total Sales consist of MMCAP Contract Sales, Alternate Contract Sales, and Non-Contract Sales.
  - d. In the event that an MMCAP Participating Facility has a 340B account, that portion of the MMCAP Participating Facility's business will be assigned a separate account number and Contract Compliance will be calculated in the same manner for that account.
3. Wholesaler will encourage the use of MMCAP Contract Products by providing training and services to MMCAP Participating Facilities during the bid roll and throughout the term of this Contract.
  4. Cardinal.com and Order Express will offer "Contract Ranking" settings to assist MMCAP Participating Facilities in color coding and sets a search result ranking bringing preferred contracts to the top of the users search screen.
  5. In special situations where deemed necessary, Wholesaler will provide sub logic to MMCAP to support corporate initiatives (e.g., market share agreements, contract switches and other potential formulary initiatives).
  6. In the case where an MMCAP Participating Facility is denied contract pricing (e.g., vendor block), Wholesaler agrees to send notification to MMCAP via e-mail ([mmcap.contracts@state.mn.us](mailto:mmcap.contracts@state.mn.us)).

**C. Reporting Tools**

1. Wholesaler agrees to provide online electronic access to all purchasing data relating to the Products that are purchased by each MMCAP Participating Facility to MMCAP and MMCAP Participating Facilities. Wholesaler will provide a system for reporting each individual MMCAP Participating Facility's purchases, as well as be capable of running reports on select groups of facilities. Users must be able to manipulate the data to build reports based on each MMCAP Participating Facility's individual needs/requirements directly through the system or through the ability to transfer data into spreadsheets in a Microsoft Office compatible format.
2. Wholesaler agrees to provide each MMCAP Participating Facility and MMCAP either with entelligence<sup>SM</sup>, a web-based reporting tool on Cardinal.com or Standard and Advanced Reporting on Order Express. The entelligence<sup>SM</sup> decision support tool rolls up purchase data from each of the points of purchasing within an organization and provides comprehensive reporting to evaluate

purchasing (e.g., super-user). Report Writer is an ad hoc reporting tool that enables MMCAP Participating Facilities to create, preview, save, copy, and print report requests. Report Writer will also be made available to MMCAP's Members and MMCAP. Advanced Reporting on Order Express, largely replaces the intelligence<sup>SM</sup> reporting tool, with enhanced capabilities. Standard and Advanced Reporting on Order Express will be provided at no additional charge to MMCAP or to MMCAP Members.

3. At a minimum, Wholesaler will provide the following on-line reporting tools:
  - 80/20 (Velocity) Purchase Summary Report: ranks items by sales value over a designated period of time
  - Manufacturer Backorder reporting
  - Contract missed opportunities
  - Therapeutic interchange analysis
  - Brand-to-generic saving analysis
  - Budgetary forecasting and analysis
4. Wholesaler will set up a user login on Wholesaler's online ordering system(s) for each MMCAP Member State and MMCAP with all MMCAP Participating Facility accounts for the purpose of reporting at no cost.
5. Wholesaler will provide the technology to allow one user (e.g., super-user) to run reports for several MMCAP Participating Facilities' accounts at one time.

#### **4.12 Invoicing**

##### **A. Order Invoice**

1. Wholesaler agrees that MMCAP Participating Facilities will be invoiced at the MMCAP contract price for MMCAP Contract Products, plus or minus the negotiated service fee discount, throughout the term of this Contract and any extensions. Service fee discounts will be applied to all Non-Contract Products with the exception of Non-Contract Bulky Products, as set forth in Attachment B, Discounts and Fees.
2. Wholesaler agrees that all service fee discounts will be in accordance with Attachment C, Service Fee Discount Matrix.
3. Wholesaler agrees that any fees besides cost for both MMCAP Contract Products and Non-Contract Products will be listed on Attachment B, Discounts and Fees.
4. Wholesaler will not add any fee, percentage, or other cost to the Products purchased under this Contract unless the fee, percentage, or cost is defined and approved in writing by MMCAP prior to implementation.
5. Wholesaler will submit an invoice with each order. Invoices must be only for the amount of Product delivered, not the amount ordered. Quantity ordered and quantity shipped must be based on the packaging associated with the NDC number.
6. MMCAP's definition of Bulky Products include food and food products, home healthcare products (durable medical equipment, such as walking aids, bathroom safety products, wheelchairs and accessories, scooters and lift chairs, etc.), non-contract nutritionals, school and office supplies, non-contract large volume parenterals, and non-contract IV Fluids. All service fee discounts and fees for the delivery of Bulky Products are listed on Attachment B, Discounts and Fees. No fees or special handling charges will be assessed for MMCAP contract nutritionals, MMCAP contract large volume parenterals, or MMCAP contract IV fluids throughout the term of this Contract. Service fee discounts will be applied to MMCAP Contract Products that are also Bulky Products, including MMCAP contract nutritionals, MMCAP contract large volume parenterals, and MMCAP contract IV fluids, as set forth on Attachment B, Discounts and Fees.
7. Cardinal SPD is required to utilize the MMCAP contract price associated with MMCAP Contract Products distributed through Cardinal SPD. If Cardinal SPD has the same NDC available through its contracting as is contracted under MMCAP, Cardinal SPD will provide the CIN utilizing the MMCAP contract pricing. Service fee discounts will be applied to MMCAP Contract Products that are drop

shipped through Cardinal SPD. Cardinal SPD is required to stock or make available those MMCAP-contracted Blood Factor and MMCAP-contracted Plasma Products, ensuring primacy of these Contract Product items. In a secondary placement, Cardinal SPD-contracted Blood Factor and Cardinal SPD-contracted Plasma Products that are not MMCAP Contract Products will be billed at market price, as communicated to the MMCAP Participating Facility prior to purchase.

8. Any non-contract brand prescription product purchases will be invoiced at no more than WAC.
9. All additional fees (e.g., service fees, shipping charges, emergency orders, etc.) charged by Wholesaler will be in line item detail separated from the product's cost and will be tied back to an original invoice number. Wholesaler's invoices have a memo field that is used to reference the original invoice in instances where fees or credits are billed to the MMCAP Participating Facility. Wholesaler will populate this memo field for all MMCAP Participating Facility orders, if applicable.
10. Wholesaler agrees to work with facilities requesting customized invoices within 120 days of project initiation. At no cost and upon request, Wholesaler will work with the MMCAP Participating Facility to develop a customized invoice format. Wholesaler agrees to respond to all customized invoice requests within 120 calendar days.
11. At a minimum, the Wholesaler's invoice will contain the following fields:
  - MMCAP Participating Facility Name
  - Wholesaler-assigned account number for the MMCAP Participating Facility
  - Invoice number
  - Invoice line number
  - MMCAP Participating Facility's purchase order number
  - Invoice date
  - Wholesaler's SKU item number
  - NDC (11 digit)
  - Controlled substance classification
  - Product Name/Description
  - Packaging as associated with NDC number
  - Unit price
  - Quantity ordered
  - Quantity shipped
  - Extension (unit price multiplied by the quantity shipped)
  - Total invoice price
  - Type of transaction (MMCAP contract purchase, other contract purchase (e.g., 340B, off-contract purchase))\*
  - Service fee per line item
  - Bill to address
  - Ship to address
  - Applicable omit codes (e.g., Manufacturer Backorder, wholesaler temporarily out, manufacturer discontinued, etc.)

12. Wholesaler's invoice note codes indicate the type of transaction and are as follows:

<b>Code</b>	<b>Definition</b>
<b>T</b>	Taxable
<b>CT</b>	Contract
<b>G</b>	Generic substitution
<b>SN</b>	Special net
<b>CS</b>	Source Contract
<b>SP</b>	Special pricing
<b>OV</b>	Price Override

## 13. Wholesaler's omit codes are:

Code	Definition
C	Dropship
2	DC out
3	Mfr out
4	Not stocked
5	Mfr disc
6	DC disc
7	Drug recall
8	New item/stock unavailable
9	Restricted item

**B. Invoice Rounding**

Wholesaler is required to have invoicing procedures that follow standard rounding methodology. The standard invoicing methodology will round down if the third digit after the decimal is 4 or less and round up if the third digit after the decimal is 5 or more. Wholesaler agrees that any rounding will occur at the line item.

**C. Credits and Rebills**

- Wholesaler agrees to process and issue credits and rebills as manufacturer notifications are received. In the case of an invoice dispute, Wholesaler will issue credits/rebills within two (2) business days after dispute resolution.
- Wholesaler will make credits and rebills available to each MMCAP Participating Facility online, with the option to print a hard copy.
- Wholesaler will notify MMCAP Participating Facility of credit balances through a monthly report showing all credits that were paid and any existing credit that is still available.
- Wholesaler will provide credits issued to MMCAP Participating Facilities without an expiration date, and for all dollar amounts; credits will not be subject to a minimum amount.
- Wholesaler agrees that in the event of a facility closure or other extreme event where the MMCAP Participating Facility will not be making another purchase through the Wholesaler, the MMCAP Participating Facility may cash out its credit(s).
- Wholesaler agrees that if it is directed by an MMCAP Participating Facility, a credit can be transferred from one account to another account.
- Wholesaler will clearly identify Credits as a credit.
- The Wholesaler will take all necessary steps to ensure that credits that become available close to the end of the MMCAP Participating Facility's Fiscal Year are available for use by the MMCAP Participating Facility not later than five (5) business days prior to the end of the fiscal year.
- Wholesaler's credit memo will contain:
  - Original purchase order
  - Original Wholesaler invoice number
  - Original invoice date
  - Itemized listing of the product(s) affected
  - Any rebill associated with the credit
  - Reason(s) for the credit (e.g., manufacturer credit, merchandise return, etc.)
  - Net credit amount available to the MMCAP Participating Facility
- Wholesaler will clearly identify Rebills as a rebill. Rebilled invoices can be found online via Cardinal.com through entelligence<sup>SM</sup> (Standard Reports) or in Order Express (Standard Reports).

11. Wholesaler's rebill memo will contain:
  - a. Original purchase order
  - b. Original Wholesaler invoice number
  - c. Original invoice date
  - d. Itemized listing of the product(s) affected
  - e. Credit memo associated with the rebill
  - f. Reason(s) for the rebill (e.g., manufacturer chargeback denial, pricing error, etc.)
12. Wholesaler agrees that rebills will reflect the net difference owed or due after any original credited amount has been applied.

#### **D. Price Audits and Corrections**

1. In the event of a pricing error (e.g., late pricing load, etc.) that is solely attributable to the Wholesaler, Wholesaler agrees to no longer process credit/rebills after the greater of 90 calendar days or the maximum allowed by the supplier. Wholesaler agrees to actively pursue any available remedies with suppliers on behalf of MMCAP Participating Facilities' interests and agrees to seek exceptions to supplier imposed limitations if necessary. This clause will in no way be deemed a limitation on the Parties as it relates to the future auditing and/or correction of invoices.
2. When Wholesaler, an MMCAP Participating Facility, MMCAP, or an MMCAP contracted service vendor, like an invoice auditing service provider, discovers an error in pricing for an MMCAP Contract Product that affects one MMCAP Participating Facility, Wholesaler will issue credits/rebills to ALL MMCAP Participating Facilities for the time period from the date the error began to the date it is corrected.
3. Price Audits and Corrections: Throughout the terms of this Contract, Wholesaler will conduct contract pricing audits matching pricing information provided by MMCAP against contract pricing provided by Manufacturers. If Wholesaler discovers discrepancies, the Wholesaler will notify manufacturer and MMCAP of the discrepancy in order to reach resolution. Upon resolution, Wholesaler will correct the errors, will create a sales history report, and enter credit(s)/rebill(s) for each MMCAP Participating Facility connected to the contracts within five (5) business days. Wholesaler is expected to continue to provide the process, which was the outcome of the collaboration between the Wholesaler and MMCAP, to deliver comprehensive and efficient means to provide continuous price audit data.
4. MMCAP and the MMCAP Participating Facilities acknowledge that if a pricing discrepancy is the fault of the applicable manufacturer, such manufacturer may limit recovery arising from such pricing discrepancy and Wholesaler will not have any responsibility for such discrepancy or any such limitation.

#### **E. Chargeback Denials**

MMCAP requires the Wholesaler to provide prompt electronic notification upon receipt by the Wholesaler of a legitimate chargeback denials from manufacturers that have denied MMCAP Participating Facilities contract pricing. Notification will be communicated to MMCAP via a notification from a member of the Wholesaler's Account Management team. Wholesaler will provide this notification within two (2) business days of validation with the supplier. Wholesaler may require support from MMCAP to rectify eligibility issues with MMCAP-contracted suppliers, and Wholesaler agrees to resubmit chargebacks for the MMCAP Participating Facility upon eligibility resolution. Notifications are to be sent to: [mmcap.contracts@state.mn.us](mailto:mmcap.contracts@state.mn.us).

#### **F. Invoice Disputes**

Subject to state law, the MMCAP Participating Facility will notify Wholesaler of any known dispute with an invoice within 30 calendar days of receipt of the invoice.

The MMCAP Participating Facility will pay all portions of a disputed invoice, unless prohibited by state law, subject to resolution of that dispute. If upon resolution, the disputed invoice was found to be in error, Wholesaler will credit the original amount of the invoice and rebill the MMCAP Participating Facility.

Where complete payment of a disputed invoice is prohibited by an MMCAP Member State's applicable law(s), the Wholesaler will comply with requirements of that state's law(s) related to disputed invoices. In addition, Wholesaler agrees that any outstanding amount on a disputed invoice will not be held against the MMCAP Participating Facility when calculating the weighted average payment date as applicable to service fee discounts. For any disputed invoice, the Wholesaler agrees to code the invoice as disputed to ensure the service fee calculation for the MMCAP Participating Facility is not impaired.

Wholesaler will make a good faith effort to resolve known disputes related to contract pricing within 30 calendar days of notice of the dispute. This clause will in no way be deemed a limitation on the Parties as it relates to the future auditing and/or correction of invoices.

Where a disputed invoice is determined not to have been in error, the MMCAP Participating Facility will not be liable for interest and penalties related to the disputed amount.

#### **G. 810 EDI Invoices and Auditing**

Wholesaler must provide 810 EDI invoices to MMCAP, MMCAP Participating Facilities, and any other entity designated by MMCAP. Wholesaler is required to work with MMCAP's contracted invoice auditing vendor. Wholesaler will research product pricing that appears to have a discrepancy and will confirm that pricing and information with the manufacturer. Wholesaler will review and make a reasonable effort to resolve errors within ten (10) business days of notification from MMCAP-contracted invoice auditing vendor. Wholesaler will not charge MMCAP or the MMCAP Participating Facility for use of an invoice auditing service or for invoice dispute resolution. Wholesaler will issue credits/rebills within three (3) days of manufacturer verification.

#### **H. Goods Returned to the Wholesaler**

Goods returned to Wholesaler will be managed in accordance with Attachment D, Wholesaler's Returned Goods Policy.

#### **I. Recalls**

If any Product distributed by the Wholesaler under this Contract is recalled or removed by the manufacturer or the Wholesaler itself, or if a recall is suggested or mandated by a regulatory or official Agency, Wholesaler will send notice to each ship-to location for which Wholesaler has a sales history within the affected recall timeframe. Recall notices will be sent with the MMCAP Participating Facility's next delivery or via mail if the MMCAP Participating Facility does not have a delivery the day the recall notice is released.

Depending on the class of the recall, Wholesaler will, after initiating a recall, send to any MMCAP Participating Facility that did not provide Wholesaler verification they received the recall notice, a second notice three weeks and/or six weeks after recall initiation.

Wholesaler will send recall notices to inactive MMCAP Participating Facilities that have ordered the recalled Product up to 12 months after the last purchase.

#### **4.13 Purchase Orders and Payment**

##### **A. Purchase Orders**

As a condition for purchasing under this Contract, purchasers must be MMCAP Participating Facilities in good standing with MMCAP. Then, MMCAP Participating Facilities may purchase goods and services by submitting Purchase Orders. MMCAP Participating Facilities may use their own forms for Purchase Orders. To the extent that the terms of any form differ from the terms of this Contract, the terms of this Contract supersede such conflicting or contrary terms.

##### **B. Payments by MMCAP Participating Facility**

Each MMCAP Participating Facility will be responsible for payment of goods and services provided to them by the Wholesaler. MMCAP does not have any liability for an unpaid invoice of any MMCAP Participating Facility. The Wholesaler is required to accept purchase orders and invoice the MMCAP Participating Facility for all products shipped and services provided. Payment modalities that the Wholesaler is minimally required to facilitate are checks and Automated Clearing House/Electronic Funds Transfer (ACH/EFT) transactions. At time of new account setup, the MMCAP Participating Facility will initiate ACH/EFT process with its bank.

Service fee discounts and payment term definitions are listed on Attachment C, Service Fee Discount Matrix.

##### **C. Verification of Authorized Purchasers**

Upon request of MMCAP, Wholesaler must verify that it provides goods and services under this Contract only to MMCAP Participating Facilities.

##### **D. Funds available and authorized/non-appropriation**

Wholesaler will not be compensated for goods delivered or services performed under a Purchase Order by any entity other than the MMCAP Participating Facility that issued the Purchase Order. By submitting a Purchase Order the MMCAP Participating Facility represents it has sufficient funds currently available and authorized for expenditure to finance the costs of the Purchase Order.

##### **E. Termination of Individual Purchase Orders**

MMCAP Participating Facilities may terminate individual Purchase Orders, in whole or in part, immediately upon notice to Wholesaler, or at such later date as the MMCAP Participating Facility may establish in such notice, upon the occurrence of any of the following events:

- a. The MMCAP Participating Facility fails to receive funding, or appropriations, limitations or other expenditure authority at levels sufficient to pay for the goods to be purchased under the Purchase Order;
- b. Federal or State laws, regulations or guidelines are modified or interpreted in such a way that either the purchase of goods under the Purchase Order is prohibited or the MMCAP Participating Facility is prohibited from paying for such goods from the planned funding source; or
- c. Wholesaler commits any material breach of this Contract or a Purchase Order.

Upon receipt of written notice of termination, Wholesaler will stop performance under the Purchase Order as directed by the MMCAP Participating Facility.

Termination of a standing Purchase Order does not extinguish or prejudice the MMCAP Participating Facility's right to enforce such Purchase Order with respect to Wholesaler's breach of any warranty or any defect in or default of Wholesaler's performance under such Purchase Order that has not been cured,



including any right of the MMCAP Participating Facility to indemnification by Wholesaler or enforcement of a warranty. If a standing Purchase Order is terminated, the MMCAP Participating Facility must pay Wholesaler in accordance with the terms of this Contract for goods delivered and accepted by the MMCAP Participating Facility.

#### **F. Jurisdiction and Venue**

Upon completion of the Dispute Resolution process outlined in Article 31 of this Contract, and solely with the prior written consent of MMCAP and the State of Minnesota Attorney General's Office, the MMCAP Member may bring a claim, action, suit or proceeding against Wholesaler. The MMCAP Member's request to MMCAP to bring the claim, action, suit, or proceeding must state the initiating party's desired jurisdiction, venue and governing law.

Upon completion of the Dispute Resolution process outlined in Article 31 of this Contract, the Wholesaler may bring a claim, action, suit or proceeding against MMCAP Member, in Wholesaler's sole discretion.

#### **G. Late Payment**

This clause will not apply to an MMCAP Participating Facility when prohibited by that MMCAP Participating Facility's applicable state law.

If any MMCAP Participating Facility fails to comply with the agreed upon payment terms, Wholesaler will have the right to change the Service Fee Discount to that which the MMCAP Participating Facility is entitled to prospectively, to reflect that MMCAP Participating Facility's actual payment practices. An MMCAP Participating Facility will be deemed to have failed to comply with the payment terms if it does not make timely payment for a period lasting two cycles or, with respect to MMCAP Participating Facilities selecting the 30 Day Pay or 45 Day Pay, for a period of sixty (60) calendar days.

Wholesaler will use commercially reasonable efforts to work with the MMCAP Participating Facility in the event payments are not timely made. Wholesaler may, at its election, either reduce payment terms to a shorter number of days or place an MMCAP Participating Facility on C.O.D status under the following circumstances: (i) if Wholesaler has not received payment of outstanding invoices in full as set forth above, or (ii) there is a material adverse change in the financial condition of the MMCAP Participating Facility. In either instance, the situation shall be immediately elevated to an executive team from both the MMCAP Participating Facility and Wholesaler in an effort to rectify the situation and restore the MMCAP Participating Facility's then current payment terms. In the event of such elevation, if the executives are unable to reach a mutually acceptable resolution within a period of twenty (20) calendar days and any undisputed amounts remain unpaid for more than ten (10) calendar days thereafter, Wholesaler reserves the right to refuse orders from the MMCAP Participating Facility.

Notwithstanding anything to the contrary that may be contained herein, Wholesaler shall have, and it hereby reserves, all the rights and remedies otherwise available to it under the Uniform Commercial Code, as in effect from time to time.

#### **4.14 Administrative Fee**

In consideration for services provided by MMCAP, the Wholesaler will pay an administrative fee on all purchases (less any credits and returns) made through Wholesaler and the Wholesaler's Specialty Products Distribution division, as specified in Attachment B. Administrative fees will not be paid on 340B, PHS, or ADAP sales or prime vendor DSH sales. The administrative fee must be paid as soon as is reasonable after the end of each month, but no later than 30 calendar days after the end of the month. The Wholesaler will not pay MMCAP Member state specific administrative or procurement fees that are not considered "pass through". "Pass Through" fees are included in state specific terms and conditions requiring the Wholesaler to increase Service Fees, and then passing them through in the form of a check to the designated State entity.



MMCAP reserves the right to collect interest on payments 30 calendar days past due at a rate of 18% annually, consistent with Minn. Stat. § 16A.124.

Wholesaler will submit monthly administrative fee data for all sales made through Wholesaler and the Wholesaler's Specialty Products Distribution division. All required administrative fee data files must be sent to: [Mn.MMCAP@state.mn.us](mailto:Mn.MMCAP@state.mn.us) at the end of each month, but no later than 30 days after the end of the month. Failure to comply with this provision may constitute breach of this Contract.

#### **4.15 MMCAP Service Contracts**

##### **A. Contract Price Auditing**

The Wholesaler is required to have the ability to provide 810 EDI invoices to MMCAP, MMCAP Participating Facilities, and any other entity designated by MMCAP. It is expected that the Wholesaler will work with MMCAP's contracted invoice auditing vendor and that the Wholesaler will research product pricing that appears to have a discrepancy and will confirm that pricing and information with the manufacturer, making a reasonable effort to resolve errors within ten (10) business days of the notification from MMCAP-contracted invoice auditing vendor. The Wholesaler will then be expected to issue credits/rebills within three (3) days of manufacturer verification.

The Wholesaler will not charge any fees, to either MMCAP or the MMCAP Participating Facilities, for the transmissions made to MMCAP's contracted invoice auditing vendor.

##### **B. Reverse Distribution Processor**

Wholesaler must have an agreement throughout this contract period with the MMCAP-contracted returned goods processor(s) to allow all MMCAP Participating Facilities to fully participate in the services offered by the MMCAP Returned Goods Contract. The Returned Goods Processor(s) is subject to change at any time. The Wholesaler will not withhold or delay application of a credit from a returned goods processor to the MMCAP Participating Facility's account for any reason. Wholesaler will not withhold credit owed to MMCAP Participating Facilities when the credit is from a manufacturer that is in arrears with the Wholesaler. All fees associated with reverse distribution, including returns from alternate processors that are not the awarded reverse distribution processing vendor for the MMCAP Returned Goods Program, are listed on Attachment B, Discounts and Fees.

##### **C. Repackaging Services**

Wholesaler is required to have an agreement throughout the term of the Contract period with the MMCAP-contracted repackaging vendor(s) to allow all MMCAP Participating Facilities to fully participate in the services offered by the MMCAP Repackaging Services Contract. It is expected that the Wholesaler will have contracts with all MMCAP contracted repackaging vendor(s), and to note the Repackaging Services vendor(s) is subject to change at any time.

###### **Process Steps:**

- a. The MMCAP Participating Facility notifies the Wholesaler that they would like to utilize an MMCAP repackaging services contract.
- b. Once the Wholesaler is notified, the Wholesaler begins the set-up work with the identified repackaging vendor.
- c. The repackaging vendor will then work directly with the MMCAP Participating Facility to qualify their needs. Paperwork will be sent to the MMCAP Participating Facility and a list of the drugs that

that are being requested to have repackaged should be provided (NDCs, quantities, repackaging format, etc.)

- d. Once the MMCAP Participating Facility has been qualified by the repackaging vendor and all documentation is completed, the MMCAP Participating Facility will then request a new ship-to/bill-to account be setup by the Wholesaler.
- e. The NDCs that are intended to be repackaged should be shared with the Wholesaler to ensure stocking adjustments have been made at the distribution center that would be servicing the repackaging vendor's facility on behalf of the MMCAP Participating Facility.
- f. The Wholesaler would set up the new account to have all of the MMCAP Participating Facility's standard contracts and pricing applied.
- g. The MMCAP Participating Facility will make the determination if invoicing for the repackaging services is to be through the Wholesaler or direct billed by the repackaging vendor.
- h. MMCAP Participating Facility places their first order through the new repackaging account once fully setup and order-ready.
- i. Repackaging vendor receives MMCAP Participating Facility's order the next day from the Wholesaler and processes the repackaging order according to the MMCAP Participating Facility requirements.
- j. The repackaging vendor then ships the product directly to the MMCAP Participating Facility via UPS/FedEx.
- k. Invoicing is generated based on the determination made by the MMCAP Participating Facility.

While the Wholesaler can require a repackaging vendor to pay a fee to the Wholesaler for services rendered, Wholesaler is not allowed to charge an additional fee to the MMCAP Participating Facility for utilizing this service. However if the MMCAP Participating Facility has exceeded the free delivery quota for the period of time applicable, the Wholesaler can charge a delivery fee in keeping with the delivery fee associated with exceeding the free delivery quota for the specified period of time.

The set-up of the repackaging account should not impair any account limitations or incur any initial account set-up fees to the MMCAP Participating Facility.

#### **D. Influenza Vaccine/Medical Supplies.**

Both influenza vaccine distribution and medical supplies distribution are independent, separate service offerings. It is required that reasonable efforts will be made by Wholesaler to direct MMCAP Participating Facilities to MMCAP for guidance on these service offerings. Unless Wholesaler is also awarded one or both of these other service offerings through a separate contract award processes, it is required that Wholesaler will not solicit MMCAP Participating Facilities for influenza vaccine distribution and medical supplies distribution service offerings.

### **4.16 Other Value-Added Services**

#### **A. Wholesaler's Generic Drug Program**

Many MMCAP Members have state procurement mandates requiring the purchase of the lowest cost product. Adherence to the requirement to stock MMCAP Contract Products is in place to support the procurement mandates of MMCAP Members.

In addition to MMCAP Contract Products to support the procurement mandates of MMCAP Members MMCAP expects the Wholesaler to provide a fluid warehousing approach whereby the Wholesaler will be permitted to load its best-priced tier Generic Drug Program, offered side-by-side, in the stocking of like products. This fluid approach would allow the MMCAP Participating Facilities to choose a product from the Wholesaler's generic drug program if the product was at a lower price than the MMCAP Contract

Product. The choice would be based on price, not on the Wholesaler's generic drug product being the only product stocked.

The fluid warehousing approach requires strict adherence the following conditions:

- a. The applicable MMCAP State Contract has not opted out of the Wholesaler's Generic Drug Program.
- b. Wholesaler is not allowed to use MMCAP's contract pricing to calculate its Generic Drug Program Pricing.
- c. For consistency in communicating program savings, if Wholesaler receives requests for program savings, a demonstration of program savings, or cost avoidance regarding Wholesaler's generic drug program, Wholesaler is required to direct all inquiries to MMCAP.
- d. For consistency in communications in promoting Wholesaler's generic drug program, Wholesaler agrees to work with MMCAP on material content and potential co-branding.
- e. Wholesaler's Generic Drug Program products may be ranked before MMCAP Contract Products only if an MMCAP Participating Facility has set its ordering system to rank by price and the price is lower than the MMCAP Contract Product. If an MMCAP Participating Facility ranks by contract, then the MMCAP Contract Product must appear first.
- f. Wholesaler is required to clearly label any products on its Generic Drug Program as such in its ordering system.
- g. Wholesaler is required to identify Wholesaler's Generic Drug Program products as such when Wholesaler reports sales data to MMCAP.
- h. Wholesaler will be required to pay a monthly administrative fee of 3% to MMCAP on all sales of Wholesaler's Generic Drug Program products sold to MMCAP Participating Facilities, in addition to any distributor administrative fee payments.
- i. Service fee discounts extended to MMCAP Participating Facilities will be applied to all Generic Drug Program sales.
- j. A complete list of products and pricing under the Generic Drug Program will be available for viewing in Wholesaler's ordering systems by MMCAP and MMCAP Participating Facilities.
- k. Products in Wholesaler's Generic Drug Program available to MMCAP Participating Facilities will be generic pharmaceuticals (including vitamins and over the counter products) and will not contain medical supplies or health and beauty products, unless approved by MMCAP.
- l. Wholesaler will notify all MMCAP Participating Facilities participating in the Generic Source program and MMCAP of switches in products covered under the Generic Source program.
- m. Wholesaler is required to only institute automatic substitution upon specific request of an MMCAP Participating Facility and upon written notification by the Wholesaler to MMCAP.
- n. If the same NDC is the same price on both an MMCAP contract and on Wholesaler's Generic Drug Program, the sale will be applied to MMCAP.
- o. Wholesaler agrees to minimum stocking levels (three units/month) at each distribution center for all MMCAP Contract Products, dependent upon MMCAP Participating Facility demand.
- p. Wholesaler is required to send MMCAP's contracted invoice auditing vendor a weekly pricing file that will include all the data necessary for the invoice auditing vendor to be able to audit the pricing invoiced to MMCAP Participating Facilities.
- q. Wholesaler's ordering system will have capability to accept an MMCAP Participating Facility's zero order. MMCAP Participating Facilities will need to call Customer Service to request Wholesaler stock an MMCAP Contract Product.

In order to audit compliance and non-competitiveness with the requirements above, Wholesaler must provide a report on a monthly basis to MMCAP that details each product that is currently available on the Wholesaler's Generic Drug Program and the product price so that MMCAP can validate that the Wholesaler's Generic Drug Program is not competing with MMCAP Contract Products. The minimum data fields required are listed below:

<b>Minimum data fields required</b>
NDC (11-digit format)
Wholesaler product identification number
SKU or Manufacturer's part number
Product description (generic name)
Packaging
Supplier name (Manufacturer)
Quantity Purchased
Total Sales
Wholesaler's Generic Drug Program Price per Unit

Wholesaler will not use MMCAP pricing or manufacturer contract terms in the Wholesaler's generic pricing program for any other use beyond managing the MMCAP Contract for MMCAP Participating Facilities, nor will MMCAP use the Wholesaler's pricing for the same purposes. Wholesaler and MMCAP will maintain appropriate policies, procedures, and information technology and infrastructure to ensure that only those employees of the Wholesaler and MMCAP that have a need to know for performance under this Contract have access to product lists, discounts, prices, and any other information that would qualify as competitive information in connection with the contracts, subject to Minn. Stat. Ch. 13.

#### **B. MMCAP Participating Facility Negotiated Contracts**

There will likely be instances where MMCAP Participating Facilities may enter into contracts individually negotiated by MMCAP Participating Facilities. In those instances, the Wholesaler is required to agree that the ordering, delivery, payment, and reporting terms of the overlying contract with MMCAP will apply to contracts individually negotiated by MMCAP Participating Facilities, including any associated service fees.

#### **C. Pharmacy Interfaces**

Wholesaler's pharmacy interfaces with software/dispensing systems will be developed and implemented at no cost to the MMCAP Participating Facility. Training and technical support related to pharmacy interfaces will be provided at no cost.

#### **D. Business Development**

MMCAP Members benefit when opportunities to increase purchase volumes are optimized, as well as creating business wins for MMCAP vendor partners. To strengthen current relationships and develop new ones, MMCAP deploys Field Services staff to provide front-line support to current MMCAP State Contacts and MMCAP Participating Facilities and to engage state eligible entities by explaining to them the benefits available to them through leveraging the MMCAP membership contracts to their purchasing benefit. The Wholesaler will support business development opportunities, utilizing joint engagement strategies with MMCAP Field Services, to increase the use of the MMCAP contracts. Should said efforts place the Wholesaler in a position where the Wholesaler would be in breach of contract with another business partner, the Wholesaler can exempt themselves from a business development opportunity.

**E. Supplemental/Additional Services**

The Wholesaler must make supplemental/additional services and products that are available to its general customers, not specifically mentioned within the resulting contract with MMCAP, available to all MMCAP Participating Facilities upon request and agreement by MMCAP and the MMCAP Participating Facilities. Wholesaler shall not solicit MMCAP Participating Facilities to participate in Wholesaler's supplemental/additional services and products programs, where such programs are already provided by MMCAP to MMCAP Participating Facilities. Prior to providing these supplemental/additional services, the Wholesaler must provide full disclosure of the services or product fees and costs to MMCAP and receive approval from MMCAP before these services and products are provided to any MMCAP Participating Facilities.

Supplemental/additional services and products offered by Wholesaler, if approved by MMCAP, will be managed through an amendment to the Contract.

**4.17 Business Interruption Plan**

Wholesaler must have in-place during the term of this Contract, an emergency preparedness and business continuity plan. Upon request, Wholesaler will work with the MMCAP Participating Facility to develop a pre-selected list of Products that would be needed in the event of a national or regional emergency and shipped upon availability. The Wholesaler's emergency preparedness and business continuity plan is to include specificity on how the Wholesaler will ensure that MMCAP Participating Facilities would continue to receive medications during a regional/national disaster or other unforeseen malfunction in pharmaceutical distribution. Wholesaler's detailed Disaster Recovery Plan is available upon request from MMCAP or MMCAP Participating Facilities.

As part of the Business Continuity Plan, Wholesaler will provide:

1. Up to three backup locations for each distribution center
2. Emergency customer support and centralized command and control centers
3. Procedures for contacting employees
4. Strong relationships with suppliers to maintain fuel supply in the event of a shortage
5. Working relationships with government agencies and industry trade associations

**4.18 Shareback Credits**

Wholesaler will manage, at no additional cost or fee withheld to MMCAP or MMCAP Participating Facilities, the MMCAP annual shareback credit according to the schedule below:

1. MMCAP will provide Wholesaler a list of MMCAP Participating Facilities receiving a credit, the credit amount for each facility, and a check for the total amount of all credits to be provided.
2. Wholesaler is required to apply the credit to all listed MMCAP Participating Facilities within fifteen (15) business days of the receipt of the funds and the list of facilities receiving credit has been received from MMCAP.
3. Within 30 business days of the receipt of the funds and the list of facilities receiving credit, Wholesaler is required to provide to MMCAP an Excel Spreadsheet detailing the credit memo information. This Excel listing must include the following fields: distribution center, account number, facility name, facility address, facility city, facility state, DEA, HIN, date of credit memo, credit memo number, and credit memo amount. In addition to supplying the credit memo detail to MMCAP, the Wholesaler will also provide a listing of all accounts that are inactive that cannot have a credit memo issued.
4. Within 60 days of the date credits were applied and the inactive accounts are communicated as stated in process step #3, MMCAP must provide W-9 documents to the Wholesaler for any facilities found on the "Inactive Account" listing provide that expect to receive their credits in the form of a

check. All other outstanding credits will be refunded to MMCAP in the form of a check at the end of the 60 day waiting period.

5. The Wholesaler will work with MMCAP to identify all MMCAP Participating Facilities in an effort to issue all credits before refunding dollars back to MMCAP. Prior to any funds returned to MMCAP, written approval must be received from MMCAP.
6. Within 15 business days of written approval for funds to be returned, Wholesaler is required to issue a refund to MMCAP of the remaining dollars for which it was unable to issue credit.
7. Upon initiating the refund to MMCAP, Wholesaler will provide a copy of the original Shareback Credit spreadsheet detailing the credit information (received from MMCAP), the reason for non-application of funds, and the dollar amount of the funds being returned to MMCAP.

Should MMCAP change its process for the Shareback Credit to a more frequent interval (semi-annual, quarterly), any time during the term of this Contract, the Wholesaler will continue to manage this process as a service inclusion, with no additional cost or fee withhold to MMCAP or MMCAP Participating Facilities.

#### 4.19 Mandatory Reports

Wholesaler will provide the reports listed herein for all MMCAP Participating Facilities regardless of a primary GPO affiliation other than MMCAP. Reports will not include pricing or other contract details for GPO purchases not associated with MMCAP. Wholesaler agrees that any similar reports provided to other GPOs for shared MMCAP Participating Facilities will not include MMCAP pricing or contract details.

Wholesaler is required to comply with specified formats, timing, and provision of all the reports listed in this Section. Reporting is a wholesaler work product requirement, for which the Wholesaler will provide, without additional cost to either MMCAP or MMCAP Participating Facilities.

#### 1. Reports provided to MMCAP:

##### A. Sales Data Report

Wholesaler will supply to MMCAP accurate monthly sales data on or before the 10th day of the second subsequent month (e.g., June's data will be due July 10th). This report MUST include the following for every transaction between the Wholesaler and the MMCAP Participating Facility, including those transactions that come through the Wholesaler's Specialty Products Distribution division:

- i. The first table details the required fields for the sales data report
- ii. The second table details the required record layout in fixed record format.

Required Data Field Full Name for Sales Data Report
MMCAP-assigned facility ID
MMCAP Facility Name
Vendor Distribution Center Code
Vendor-assigned Account number for the MMCAP Facility
Invoice Number
Invoice Line Number
Purchase Order Number
Invoice date (mmddccyy)
Buyer name or equivalent of buyer ID for person submitting the invoices
Vendor's (distributor) SKU item number
NDC of purchased product in 5-4-2 format as stored in First DataBank, Inc.

<b>Required Data Field Full Name for Sales Data Report</b>
Label Name
Unit Dose
Pack Size
Unit
Case Size
Dose
Strength
Route
Unit Price (99999.9999)
Quantity ordered (not Vendor repackaged or re-bundled quantity)(999999.9999)
Quantity shipped (not Vendor repackaged or re-bundled quantity) (999999.9999)
Extension (unit price multiplied by the quantity shipped) EXTENDED PRICE (99999999.999)
Type of transaction (MMCAP contract purchase, other contract purchase (340B,PHS), not on contract purchase) 1=contract item, 2=other contract, 3=not on contract
Bill to Address 1
Bill to City
Bill to State (2 alpha postal code)
Bill to Zip (standard 5-4 format, no dash necessary)
Ship to Address 1
Ship to City
Ship to State (2 alpha postal code)
Ship to Zip (standard 5-4 format, no dash necessary)
Service Fee (9999.9999)
MMCAP Contract Number (MMSxxxxx) or Generic Source Contract Identifier
Admin fee for non-contract items (9999.9999)
Credit Indicator (C for credit)
MMCAP Assigned Wholesaler Code ( <i>Codes will be assigned to Wholesaler's during implementation period of the contract</i> )
Manufacture Name (MFG Name)
Class of Trade
340b Purchase

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## Attachment A Scope of Work – Cardinal

MMCAP Contract No.: MMS15001

Monthly Sales Data Usage Report - Fixed Length Fields							
Required Data Field Full Name	Field Name	Data Type	Format (note decimals are to be included)	Size	Nulls	Begin Column	End Column
MMCAP-assigned facility ID	MMCAP_id	Alpha Numeric		7	1	1	7
MMCAP Facility Name	MMCAP_Name	Alpha Numeric		30	1	8	37
Vendor Distribution Center Code	DistributionCenter	Alpha Numeric		3	1	38	40
Vendor-assigned Account number for the MMCAP Facility	VendAccountNo	Alpha Numeric		10	1	41	50
Invoice Number	InvoiceNumber	Alpha Numeric		15	1	51	65
Invoice Line Number	InvoiceLineNo	Alpha Numeric		4	1	66	69
Purchase Order Number	poNumber	Alpha Numeric		15	1	70	84
Invoice date (mmddccyy)	InvoiceDate	numeric	mmddccyy	8	1	85	92
Buyer name or equivalent of buyer ID for person submitting the invoices	BuyerName	Alpha Numeric		20	1	93	112
Vendor's (distributor) SKU item number	SKU	Alpha Numeric		13	1	113	125
NDC of purchased product in 5-4-2 format as stored in First DataBank, Inc.	NDC	Alpha Numeric	999999999	11	1	126	136
Label Name	LabelName	Alpha Numeric		40	1	137	176
Unit Dose	UD	numeric	9	1	1	177	177
Pack Size	Pack_Size	numeric	99999.999	9	1	178	186
Unit	Unit	Alpha Numeric		2	1	187	188
Case Size	Case_Size	numeric	9999	4	1	189	192
Dose	D	Alpha Numeric		10	1	193	202
Strength	STR	Alpha Numeric		10	1	203	212
Route	RT	Alpha Numeric		10	1	213	222
Unit Price (99999.9999)	UnitPrice	numeric	99999.9999	10	1	223	232
Quantity ordered (not Vendor repackaged or re-bundled quantity)(999999.9999)	QuantityOrdered	numeric	999999.9999	11	1	233	243
Quantity shipped (not Vendor repackaged or re-bundled quantity) (999999.9999)	QuantityShipped	numeric	999999.9999	11	1	244	254
Extension (unit price multiplied by the quantity shipped) EXTENDED PRICE (99999999.999)	ExtendedPrice	numeric	99999999.999	13	1	255	267
Type of transaction (MMCAP contract purchase, other contract purchase (340B,PHS), not on contract purchase) 1=contract item, 2=other contract, 3=not on contract	SaleType	Alpha Numeric		1	1	268	268
Bill to Address 1	billtoaddress1	Alpha Numeric		30	1	269	298
Bill to City	billtocity	Alpha Numeric		20	1	299	318
Bill to State (2 alpha postal code)	billtostate	Alpha Numeric		2	1	319	320
Bill to Zip (standard 5-4 format, no dash necessary)	billtozip	Alpha Numeric		9	1	321	329
Ship to Address 1	shiptoaddress1	Alpha Numeric		30	1	330	359
Ship to City	shiptocity	Alpha Numeric		20	1	360	379
Ship to State (2 alpha postal code)	shiptostate	Alpha Numeric		2	1	380	381
Ship to Zip (standard 5-4 format, no dash necessary)	shiptozip	Alpha Numeric		9	1	382	390
Service Fee (9999.9999)	ServiceFee	numeric	9999.9999	9	1	391	399
MMCAP Contract Number (MMSxxxxx)	contractnumber	Alpha Numeric		10	1	400	409
Admin fee for not-on-contract items (9999.9999)	AdminFee	numeric	9999.9999	9	1	410	418
Credit Indicator (C for credit)	CreditIndicator	Alpha Numeric		1	1	419	419
MMCAP Assigned Wholesaler Code (AmeriSource-Bergen=0401, Cardinal Health=0301, Morris-Dickson=0701, Bergen=0201, <b>(New codes will be assigned to PPV's during implementation period of the contract)</b> )	WholeCode	Alpha Numeric		4	0	420	423
Manufacture Name (MFG Name)	MfgName	Alpha Numeric		40	1	424	463
Class of Trade	ClassofTrade	Alpha Numeric		4	1	464	467
340b Purchase	340b	Alpha Numeric		1	1	468	468



**B. Monthly Payment Report**

Wholesaler will provide to MMCAP accurate monthly payment data on or before the 10th day of the second subsequent month (e.g., June’s data will be due July 10th).

1. The first table details the required fields for the monthly payment report
2. The second table details the required record layout in fixed record format.

MMCAP Payment Data Fields
MMCAP-assigned facility ID
MMCAP Facility Name
Vendor-assigned Account number for the MMCAP Facility
Invoice Number
Invoice Line Number
Purchase Order Number
Vendor's (distributor) SKU item number
NDC of purchased Product in 5-4-2 format as stored in First DataBank, Inc.
Payment Due Date (mmddccyy)
Label Name
Packaging as associated with NDC Number
Date Payment Credited to Account (mmddccyy)
Quantity Purchased-must be expressed in terms of the packaging associated with the NDC (not Vendor repackaged or re-bundled quantity) (999999.9999)
Dollar Amount of Transaction-to the third decimal. The dollar amount must be the actual acquisition cost, after any discounts and service fees.
Credit Indicator (C for credit)
ID for person making the payment

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**Record Layout for the Monthly Payment File - Fixed Length Fields**

<b>Long Name (from original MMCAP Contract)</b>	<b>Field Name</b>	<b>Data Type</b>	<b>Format (note decimals are to be included)</b>	<b>Size</b>	<b>Nulls</b>	<b>Begin Column</b>	<b>End Column</b>
MMCAP-assigned facility ID	MMCAP_id	Alpha Numeric		7	1	1	7
MMCAP Facility Name	MMCAP_Name	Alpha Numeric		30	1	8	37
Vendor-assigned Account number for the MMCAP Facility	VendAccountNo	Alpha Numeric		10	1	38	47
Invoice Number	InvoiceNumber	Alpha Numeric		15	1	48	62
Invoice Line Number	InvoiceLineNo	Alpha Numeric		4	1	63	66
Purchase Order Number	poNumber	Alpha Numeric		15	1	67	81
Vendor's (distributor) SKU item number	SKU	Alpha Numeric		13	1	82	94
NDC of purchased Product in 5-4-2 format as stored in First DataBank, Inc.	NDC	numeric	999999999999	11	1	95	105
Payment Due Date (mmddccyy)	DueDate	numeric	mmddccyy	8	1	106	113
Label Name	LabelName	Alpha Numeric		40	1	114	153
Packaging as associated with NDC Number	Packaging	Alpha Numeric		16	1	154	169
Date Payment Credited to Account (mmddccyy)	PaymentCDate	numeric	mmddccyy	8	1	170	177
Quantity Purchased-must be expressed in terms of the packaging associated with the NDC (not Vendor repackaged or re-bundled quantity) (999999.9999)	QuantityOrdered (Shipped)	numeric	999999.9999	11	1	178	188
Dollar Amount of Transaction-to the third decimal. The dollar amount must be the actual acquisition cost, after any discounts and service fees.	TranDollar	numeric	99999999.999	13	1	189	201
Credit Indicator (C for credit)	CreditIndicator	Alpha Numeric		1	1	202	202
ID for person making the payment	BuyerName	Alpha Numeric		20	1	203	222

**C. Kill/Fill Report**

Wholesaler will provide to MMCAP accurate kill/fill data on or before the 10th day of the second subsequent month (e.g., June's data will be due July 10th). This data must be provided in an Excel format and be submitted electronically to [mn.multistate@state.mn.us](mailto:mn.multistate@state.mn.us). The following table details the required fields for the Kill/Fill data report:

<b>Field Long Name</b>
MMCAP ID
Customer Name
PPV Customer DC Number
Customer Distribution Center
PPV Customer Number
Address
City
State
NDC of Product in 5-4-2 format as stored in First DataBank
Invoice Number
Invoice Date
Short Reason Code
Short Reason Description
Product Trade Name
Product Generic Name
Pack Qty
Pack Size
Order Quantity
Shipped Quantity
Killed Qty
Extended Sales

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**D. Contract Change Report**

Wholesaler will provide to MMCAP accurate Contract Change data on or before the first day of each week. This data must be provided in an Excel format (may be zipped) and be submitted electronically to [mn.multistate@state.mn.us](mailto:mn.multistate@state.mn.us). The table below details the required fields from the Contract Change Report. This report must include the following for every Product added to, changed, or deleted from the MMCAP contract.

<b>Long Field Description Name – Contract Change Report</b>
MMCAP Office Assigned PPV Number
Contract Start Date
Contract End Date
Pharmaceutical Manufacturer Contract Number
Vendor Product ID Number
Pharmaceutical Manufacturer
Description
NDC (11 digit format)
Packaging
Current Price
Previous Price
Effective Date
Change Type (e.g., price increase, price decrease, NDC change, etc.)

**E. Contract File Audit Report**

Wholesaler will provide to MMCAP accurate contract data on or before the first day of each week. This data must be provided in an Excel format (may be zipped) and be submitted electronically to [mn.multistate@state.mn.us](mailto:mn.multistate@state.mn.us). The table details the required fields for the Contract Audit Report. This report MUST include the following for every product loaded and attached to the MMCAP contract:

<b>Long Field Description Name – Contract Audit Report</b>
Vendor Name
MMCAP Contract Number
Product Item Unit Number
NDC of Product in 5-4-2 format as stored in First DataBank
Manufacturer
Item Description
Vendor Reference Contract Number
Size
Form
UOM
MMCAP Contract Cost
Contract Start Date
Contract End Date

**F. Off-Contract with Alternative On-Contract Report**

Wholesaler will provide to MMCAP accurate Off-Contract with Alternative Item On-Contract report on or before the 10<sup>th</sup> day of the subsequent month (e.g., June's data will be due on July 10<sup>th</sup>). This report must be provided in an Excel format and be submitted electronically to mn.multistate@state.mn.us. The table details the required fields for the Off-Contract with Alternative On-Contract Report. This report MUST include the following for every transaction where an MMCAP Contract Product was available for an off-contract purchase:

<b>Field Long Name – Off-Contract with Alternate On-Contract Report</b>
MMCAP ID
Customer Name
PPV Customer DC Number
Customer Distribution Center
PPV Customer Number
Address
City
State
NDC of Product in 5-4-2 format as stored in First DataBank Off Contract
Product Generic Name
Product Trade Name
Pack Size
Order Quantity
Cost
NDC of Product in 5-4-2 format On MMCAP contract
Product Generic Name
Product Trade Name
Pack Size
Cost
Difference in price from off contract to on contract

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**G. Raw and Adjusted Fill Rate Report**

Wholesaler will provide to MMCAP a Raw and Adjusted Fill Rate Report. The Raw and Adjusted Fill Rate Report must be received on or before the 10<sup>th</sup> day of the subsequent month (e.g., June's data will be due on July 10<sup>th</sup>). The table details the required fields for the Raw and Adjusted Fill Rate Report. This report must be provided in an Excel format and be delivered electronically to [mn.multistate@state.mn.us](mailto:mn.multistate@state.mn.us). This report MUST include the following fields:

<b>Field Long Name – Raw and Adjusted Fill Rate Report</b>
MMCAP ID
Customer Name
PPV Customer DC Number
Customer Distribution Center
PPV Customer Number
Address
City
State
Raw Fill Rate
Adjusted Fill Rate

**H. Wholesaler Participating Facility Listing**

Wholesaler will provide a listing to MMCAP of the MMCAP Participating Facilities attached to the MMCAP contract on or before the 10th day of the subsequent month (e.g., June's data will be due on July 10th). The data must be submitted electronically to [mn.multistate@state.mn.us](mailto:mn.multistate@state.mn.us).

<b>Field Long Name – Wholesaler Member Listing</b>
MMCAP ID
DC
VendAccountNo
shiptoname
shiptoaddress
shiptocity
shiptostate
shiptozip
billtoname
billtoaddress
billtocity
billtostate
billtozip
DEA
HIN
Service Fee Discount (COGS)

**I. Manufacturer Backorders**

Wholesaler will provide to MMCAP, at a minimum, weekly a listing of all MMCAP Contract Products backordered due to the manufacturer's inability to supply the Product. The report is to be delivered the first business day of each week. The Excel report must be delivered electronically to [mn.multistate@state.mn.us](mailto:mn.multistate@state.mn.us) and any other sources MMCAP designates (e.g., current vendor hosting MMCAP's online catalog).

Required MBO Report Fields and Record Layout
Product Description
Manufacturer
NDC
Packaging
Reason
Restock Date
Distributor Information

Manufacturer is to be spelled out, no abbreviations.

NDC – 11 digit format as defined in First Data Bank

**J. Discontinued Product Report.**

A monthly, or more frequent, report detailing MMCAP Products which the Wholesaler deems to be discontinued. This report must identify reason for discontinuation (e.g. manufacturer discontinued, wholesaler discontinued, etc.). A monthly frequency reporting cycle is to be provided on or before the 10th day of the subsequent month (e.g., June's data will be due on July 10<sup>th</sup>) and the Excel report must be delivered electronically to [mn.multistate@state.mn.us](mailto:mn.multistate@state.mn.us). The table below details the required fields from the Discontinued Product Report:

Required Discontinued Product Report
NDC
Vendor Name
Item Description
Strength
Packaging
Contract Price
Status (e.g., Mfr Disc, Wlsr Disc)

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**K. Service Level Report.**

Monthly report detailing service levels provided on or before the 10th day of the subsequent month (e.g., June's data will be due on July 10<sup>th</sup>) and the Excel report must be delivered electronically to [mn.multistate@state.mn.us](mailto:mn.multistate@state.mn.us). The table below details the required fields from the Service Level Report:

Field Name - Long Name	Service Level	Report
DC Number		
DC Name		
Distributor Customer Account Number		
MMCAP ID		
Customer Name		
Bill to State		
Total Sales		
Order Qty		
Ship Qty		
Total Pieces not Shipped		
Raw SL %		
Adj SL %		

**L. Service Fee Discount Report.**

Quarterly report detailing applicable Service Fee Discount for each MMCAP Participating Facility based on payment terms and purchase volume. Report is to be provided not later than the 20<sup>th</sup> of the month following the end of the quarter for an effective date of the last day of the month following the end of the quarter. For example, Q1 of a fiscal year is July – September. The updated Service Fee Discount report is due to MMCAP not later than October 20<sup>th</sup>, for an effective date change of October 31<sup>st</sup>. The Excel report must be delivered electronically to [mn.multistate@state.mn.us](mailto:mn.multistate@state.mn.us). The table below details the required fields for the Service Fee Discount (COG) report:

Field Name - Long Name	Service Level Discount (COG) Report
Distribution Center Name	
DC Number	
Distributor Account Number	
MMCAP ID	
Customer Name	
City	
State	
Payment Terms	
3 Month Average Sales	
Previous Quarter - 3 Month Average Sales	
Matrix Volume	
NEW COGS %	
OLD COGS %	
Comment	



**M. MMCAP Participating Facility Credit Report**

Quarterly report detailing credits available to MMCAP Participating Facilities by account number. The report must be submitted electronically to [mn.multistate@state.mn.us](mailto:mn.multistate@state.mn.us) and is due by the 15<sup>th</sup> of the month, following the end of the quarter.

Report Requirements
MMCAP Participating Facilities Number
Facility Name
Facility State
DC
Wholesaler Account Number
Credit Issue Date
Credit Balance

**N. Miscellaneous Fees Charged to MMCAP Participating Facilities**

Wholesaler will provide a monthly report to MMCAP of any miscellaneous fees charged to MMCAP Participating Facilities which are not related directly to Product cost or not specified in Attachment B. Report is to be submitted on or before the 10th day of the subsequent month (e.g., June's data will be due on July 10<sup>th</sup>) and the Excel report must be delivered electronically to [mn.multistate@state.mn.us](mailto:mn.multistate@state.mn.us).

Report Requirements
MMCAP Participating Facility Number
Facility Name
Facility State
DC
Wholesaler Account Number
Invoice Number
Invoice Date
Amount Charged
Description of Charge

**2. MMCAP Member Reporting:**

The following reports, are the minimum reporting requirements for the Wholesaler to make available to all MMCAP Members and these reports are to be made available online in printable copy and electronic/exportable formats (e.g., Excel).

If the Wholesaler has multiple levels of reporting packages, it is required that the Wholesaler allow MMCAP Participating Facility access to any and all reporting, whether standard, advance or analytics type of reporting, provide support to train both general and super-user of the reporting tools, as well as set-up support for super-user account structures for appropriate MMCAP Member oversight. These tools, regardless of level (standard, advance, analytics) must be provided to MMCAP Members at no additional cost for the full term of the Wholesaler Distribution Services Contract

If applicable, reports must be sortable by generic or label name, units, date range, or dollars. Additionally, units reported must correspond to the packaging associated with the NDC.

Wholesaler is required to meet the reporting requirements for frequency (e.g., daily, monthly, quarterly, annually, etc.), using on-line tools for generating frequency specified reporting or ad hoc reporting options. All reporting is required to be accurate for all reporting types. Standard, aggregated, and enhanced reports are included but are not limited to the following:

- a. Reports detailing total purchases (payment amount and units) by individual item (e.g., NDC, SKU, supplier, generic name, and/or label name);
- b. Cost savings reports associated with the use of either MMCAP Contract Products or other alternative contracts (should be compared to relevant retail pricing);
- c. Reports displaying purchases of controlled substances and the associated invoice and/or purchase order numbers along with MMCAP Participating Facility name, account number, NDC number, invoice number, invoice line number, label name, date shipped, amount paid, date payment credited, FDA schedule category, and DEA number;
- d. Velocity (80/20) report (fastest moving and highest dollar) containing forecasted velocity codes with order points and order quantities; contains cumulative percentages;
- e. Price change report, indicating products with price changes; includes percentage change in price;
- f. Physical inventory reports sorted by American Hospital Formulary Service (AHFS) pharmaceutical category. These reports must show the label name, NDC, quantity, cost per unit and the extended cost of the product units on hand;
- g. Drug usage (amount paid and units) reports by AHFS category. Percentages for each category must be provided. MMCAP Participating Facilities must be able to select all AHFS categories as well as select specific AHFS categories;
- h. A report detailing all items that were ordered, but that will not be delivered, provided to the MMCAP Participating Facility the same day the order is generated by the same method that the order was transmitted;
- i. Manufacturer backorder reports, identifying where products were not available due to manufacturers' inability to supply that captures all product alternatives purchased in its place;
- j. Product category breakdown reports, which display total procurement dollar volume for categories such as brand, generic, OTC, 340B, contract, non-contract, etc.;
- k. Invoice reports, selected by invoice number, account number, purchase order number, or at billing statement intervals;
- l. On- and off- contract reports that display total dollars spent on and off contract; MMCAP Members should be able to drill down into item purchases;
- m. Off-contract purchases with contract alternatives report; and
- n. Any other reports required by law.

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## ATTACHMENT B

**DISTRIBUTOR ADMINISTRATIVE FEE** (Payable by Wholesaler to MMCAP)

0.40% will be paid to MMCAP on all MMCAP Member purchases (less any credits and returns) made through the Wholesaler under this Contract (the Distributor Administrative Fee applicable to MMCAP Members continuing to purchase under the prior contract will continue to be equal to 0.32% until such time such MMCAP Members transition to this Contract or terminate their relationship with Distributor). Distributor Administrative fees will not be paid on Prime Vendor 340B Drug Pricing Program Sales or Prime Vendor DSH sales.

**OTHER FEES** (Payable by MMCAP Member To Wholesaler)

## 1. Deliveries

Deliveries	<b>Routine</b>	<b>Emergency</b>
Regardless of dollar volume	5 per week	12 per year

- a. If a member requires more deliveries beyond the allotments specified for routine and emergency deliveries, the Wholesaler will pass on the cost of the delivery to the member.
- b. There will be no charges for the delivery of MMCAP Contract or Non-Contract Bulky Products so long as the delivery falls within the MMCAP Member's normal delivery schedule.
- c. Wholesaler will not assess a delivery fee to an MMCAP Member for drop shipped deliveries, unless delivery charges are passed onto Wholesaler by the supplier.
- d. Wholesaler will not assess a delivery fee to an MMCAP Member for Specialty deliveries, unless delivery charges are passed onto Wholesaler/SPD by the supplier.
- e. Wholesaler will not assess delivery fee to an MMCAP Member for products shipped to MMCAP's contracted repackaging vendor(s), unless delivery charges are passed onto the Wholesaler by the repackager.
- f. Control substances shipping – if held to be shipped with MMCAP Member's regular order and not shipped with regular order, there will be no charge to the Member to ship it and there will be no impairment to the weekly allotment.

## 2. MMCAP Service Contracts

<b>Service</b>	<b>Fees</b>
Contract Price Audit	No Charge
Reverse Distribution	No Charge
Repackaging*	No Charge

\*Note 1.e. on Delivery charges.

## 3. Reporting

Reporting	Standard	Advanced Reporting
	No Charge	No Charge*

\*The value of such advanced reporting programs (\$99 per month for six (6) dashboards; \$30 per month for individual dashboards) constitutes a "discount or other reduction in price," as such terms are defined under the Medicare/Medicaid Anti-Kickback Statute (42 U.S.C. § 1320a-7b(b)(3)(A) and the "safe harbor" regulations regarding discounts or other reductions in price set forth in 42 C.F.R. § 1001.952(h)), on the products purchased by MMCAP Members under the terms of this Contract. MMCAP Members may have an obligation to accurately report, under any state or federal program which provides cost or charge based reimbursement for the products or services covered by this Contract, or as otherwise requested or required by any governmental agency, the net cost actually paid by MMCAP Members. In lieu of accepting this free service, MMCAP Members may elect to pay for such advanced reporting programs, at the rates set forth above. Upon request of MMCAP, Wholesaler agrees to provide a list of MMCAP Members utilizing advanced reporting programs and whether or not they have elected to pay for the service.

## 4. Inventory Support

Inventory Support	Fees
Restocking Fee	Returns subject to specific requirements outlined within Attachment D (Wholesaler's Returned Goods Policy).
Shelf Labels	No Charge
On-site support of physical inventory	No Charge
Telxon or similar device	Price per Device <ul style="list-style-type: none"> <li>• Telxons: No Charge</li> <li>• MC 1000 – Long Term Lease, minimum 3 month requirement, \$25/month or \$250 per year</li> <li>• Physical Inventory               <ul style="list-style-type: none"> <li>– Single Unit, 1 docking station \$50</li> <li>– Small Bundle, 4 handhelds, 1 docking station \$150</li> <li>– Large Bundle, 6 handhelds, 2 docking stations \$250</li> </ul> </li> <li>• MC 40 – Long Term Lease \$100/month</li> </ul>

## ATTACHMENT C

<b>Table 1: Service Fee Discount Pricing Matrix</b>							
	<b>State Monthly Purchase Volume</b>						
<b>Facility Payment Terms</b>	<b>\$1 to \$500,000</b>	<b>\$500,001 to \$1,000,000</b>	<b>\$1,000,001 to \$2,000,000</b>	<b>\$2,000,001 to \$5,000,000</b>	<b>\$5,000,001 to \$8,000,000</b>	<b>\$8,000,000 to \$12,500,000</b>	<b>\$12,500,001 and Above</b>
30 Day Pre-Pay	-4.69%	-5.07%	-5.56%	-5.86%	-6.07%	-6.32%	-6.54%
15 Day Pre-Pay	-4.45%	-4.83%	-5.32%	-5.62%	-5.83%	-6.08%	-6.30%
7 Day Pre-Pay	-4.32%	-4.70%	-5.19%	-5.49%	-5.70%	-5.95%	-6.17%
Next Day Pay	-4.19%	-4.57%	-5.06%	-5.36%	-5.57%	-5.82%	-6.04%
7 Day Net	-4.10%	-4.48%	-4.97%	-5.27%	-5.48%	-5.73%	-5.95%
15 Day Net	-3.97%	-4.35%	-4.84%	-5.14%	-5.35%	-5.60%	-5.82%
30 Day Net	-3.73%	-4.11%	-4.60%	-4.90%	-5.11%	-5.36%	-5.58%
45 Day Net	-3.33%	-3.71%	-4.20%	-4.50%	-4.71%	-4.96%	-5.18%
60 Day Net	-2.92%	-3.30%	-3.79%	-4.09%	-4.30%	-4.55%	-4.77%
90 Day Net	-2.11%	-2.69%	-2.98%	-3.28%	-3.49%	-3.74%	-3.96%

**Generic Source Program Opt-Out:**

Wholesaler will adjust the Service Fee Discount by 0.40% for those MMCAP Members that notify MMCAP of their decision to opt-out of allowing the Wholesaler to attach the Wholesaler's Generic Source program.

For example, an MMCAP Member notifying MMCAP of an opt-out decision to the attachment of the Wholesaler's Generic Source program, having an average pay date of 7 Day Net Pay and a state monthly purchase volume of \$2 Million to \$5 Million, the Service Fee Discount for this MMCAP Member would decrease from -5.27% to -4.87% .

**Table 2: Annual Volume Incentive:**

<b>MMCAP Volume Per Year*</b>	<b>Additional Service Fee Discount</b>
\$750,000,000 to \$999,999,999	10 Basis Points (-0.10%)
\$1,000,000,000 and above	20 Basis Points (-0.20%)

\*Total book of business between MMCAP and Wholesaler

The following payment term options shall be available to each MMCAP Member:

30 Day Pre-pay: A one-time deposit equal to 30 days purchase value is due by the 25th of the previous month. Thereafter, payment is due on or before seven calendar days from the date of invoice.

15 Day Pre-pay: A one-time deposit equal to 15 days purchase value is due by the 25th of the previous month. Thereafter, payment is due on or before seven days from the date of invoice.

7 Day Pre-pay: A one-time deposit equal to 7 days purchase value is due by the 25th of the previous month. Thereafter, payment is due on or before seven days from the date of invoice.

Next Day Net: Next Day Net means that the buyer will pay Wholesaler in full on or before the next calendar day of when the invoice is received by the buyer.

Seven (7) Day Net: 7 Day Net means that buyer will pay Wholesaler in full on or before the 7th calendar day of when the invoice is received by the buyer.

Fifteen (15) Day Net: 15 Day Net means that buyer will pay Wholesaler in full on or before the 15th calendar day of when the invoice is received by the buyer.

Thirty (30) Day Net: 30 Day Net means that buyer will pay Wholesaler in full on or before the 30th calendar day of when the invoice is received by the buyer.

Forty-Five (45) Day Net: 45 Day Net means that buyer will pay Wholesaler in full on or before the 45th calendar day of when the invoice is received by the buyer.

Sixty (60) Day Net: 60 Day Net means that buyer will pay Wholesaler in full on or before the 60th calendar day of when the invoice is received by the buyer.

Ninety (90) Day Net: 90 Day Net means that buyer will pay Wholesaler in full on or before the 90th calendar day of when the invoice is received by the buyer.

If any of the above-specified Payment Term due dates fall on a weekend day or local, state, or federal holiday, payment will be due on the on the preceding business day.

Each MMCAP Member may select one of the payment term options indicated above by indicating its selection to Wholesaler. At any time during the term of this Contract, an MMCAP Member may change its manner of paying the Wholesaler upon thirty (30) days' prior written notice to Wholesaler.

Wholesaler will accept Electronic Funds Transfer (EFT) for payment, but does not offer any additional discounts for paying by EFT.

Wholesaler will apply service fee discounts to all emergency deliveries.

Wholesaler will apply service fee discounts to all MMCAP Contract Products. Service fee discounts will be applied to MMCAP Contract Products that also meet the definition of Bulky Products. Service fee discounts will be applied to Non- Contract Products, (including Wholesaler's Generic Drug Program Products), with the exception of Non-Contract Products that also meet the definition of Bulky Products. Service fee discounts will not be applied to Non-Contract Bulky Products.

Service fee discounts will be applied to MMCAP Contract Drop Shipments. Service fee discounts will be applied to Non-Contract Products that must be drop shipped due to a Vendor-created Stock Outage (excluding cases where the manufacturer is unable to supply the MMCAP Contract Product). Service fee discounts will be applied to Non-Contract Drop Shipment Products that do not meet the definition of Bulky Products.

Service fee discounts will be applied to MMCAP Contract Products that are drop shipped through SPD. SPD contracted Blood Factor and SPD-contract Plasma Products that are not MMCAP Contract Products will be billed at market price as communicated prior to the purchase.

The purchase price for the below listed items are not subject to the standard Service Fee Discount Pricing Matrix, and will instead be priced according to the below Service Fee Discount, unless an MMCAP Member's applicable Service Fee Discount is lower, in which case, the lower Service Fee Discount will be applied. For example if an MMCAP Member's applicable Service Fee Discount is -2.11%, such Member's Service Fee Discount applicable to its purchases of Sovaldi® will be -2.11%, not -2.60% (Olysio® will be -2.10%). Wholesaler reserves the right to negotiate with MMCAP adjustments to Service Fee Discounts applied to brand pharmaceutical products launched after October 1, 2014. If Wholesaler and MMCAP are unable to come to an agreement on the applicable Service Fee Discount for any brand pharmaceutical product launched after October 1, 2014, Wholesaler will sell any such product that is an MMCAP Contract Product at the MMCAP Contract Price (i.e., no Service Fee Discount to be applied), or for any such product that is a Non-Contract Product, at a price equal to no more than WAC (i.e., no Service Fee Discount to be applied).

**Table 3: Service Fee Discount Exceptions**

Product	Service Fee Discount
Sovaldi® (Sofosbuvir 400MG TAB)	-2.60%
Olysio® (Simeprevir 150MG CAP)	-2.10%

**Table 4: Application of Service Fee Matrix:**

Application of Service Fee Matrix	Yes	No
MMCAP Contract Products	X	
MMCAP Contract Bulky Products	X	
MMCAP Contract Products Drop Shipped	X	
MMCAP Contract Product for which due to Wholesaler stocking error, must be Drop Shipped to meet the needs of the MMCAP Member	X	
Wholesaler's Generic Source Program	X	
Non-Contract (Generic/Brand)	X	
Non-Contract Bulky Products		X

Service fee discounts are based on the previous quarter's payment performance and sales volume for each MMCAP Member. Wholesaler will be allowed to change MMCAP Members' service fee discounts four times annually within 30 calendar days after the close of each fiscal quarter (e.g., service fee discounts for January through March must be changed by April 30). If Wholesaler does not make changes to the service fee discounts within 30 calendar days, Wholesaler will be required to make the changes that positively impact MMCAP Members and backdate those changes to the first day of the quarter, but will not be allowed to make changes to those accounts that are negatively impacted until the next fiscal quarter.

Wholesaler will provide MMCAP a draft of the proposed service fee discount changes for all MMCAP Members ten (10) business days prior to the date the changes will take effect. If MMCAP identifies any errors in the proposed service fee discounts, Wholesaler will resolve any concerns, by reviewing, modifying, and resending a draft of the proposed changes such that the required deadline is met.



**Cardinal Health Pharmaceutical Distribution Returned Goods Policy**

Products in "merchantable condition" (as defined below) and originally purchased from Cardinal Health may generally be returned to the customer's servicing Cardinal Health distribution center in accordance with, and subject to, the terms and conditions of this policy.

**Return Made Within:**

1 – 60 Days from Invoice Date

61 – 180 Days

181 – 365 Days

**Normal Credit Amount:**

100% of original invoice amount paid by customer. This policy covers all order shortages, filling errors and damage if reported within three (3) business days and such products are returned within ten (10) business days of the date of the applicable invoice. Recalled products must be returned in accordance with applicable recall terms.

85% of original invoice amount paid by customer. Provided, however, if applicable Cardinal Health mark-up is greater than 0%, credit will be based on customer's contract cost or Cardinal Health's then-current base cost, as applicable.

70% of original invoice amount paid by customer. Provided, however, if applicable Cardinal Health mark-up is greater than 0%, credit will be based on customer's contract cost or Cardinal Health's then-current base cost, as applicable.

Returns made greater than 365 days from the invoice date will not be accepted. No credit will be issued, and the product will be returned to customer.

Recalls

100% of return value (prorated for partial return) or, if known, applicable manufacturer credit.

**"Merchantable condition"** will be determined by Cardinal Health based upon its ability to return the product to its inventory for resale in the normal course of its business, without special preparation, testing, handling, or expense and will **exclude** the following:

- a) Any product purchased from any supplier other than Cardinal Health.
- b) Any product which has been used or opened; is a partial dispensing unit or unit of sale; is without all original packaging, labeling, inserts, or operating manuals; or that is stickered, marked, damaged, defaced, or otherwise cannot readily be resold by Cardinal Health for any reason.
- c) Short-dated (less than seven (7) months expiration dating)
- d) Any product that is outdated, seasonal, purchased on a "special order" basis, non-stocked or discontinued, drop-shipped, deals, pre-packs, frozen, products with low stability (e.g., unusually sensitive to temperature/handling situations), products considered to be toxic waste, and products not returnable by law proposed at the time of return and products remaining in opened containers.
- e) Any product not intended for return to a wholesaler in accordance with the return policies of the applicable manufacturer.
- f) Any product listed by any state or federal regulatory agency as a high-risk pedigree item that is returned without a valid invoice number that cannot otherwise be verified by Cardinal Health.

**Unmerchantable Products**

Any product not eligible for return in accordance with this policy (i.e., the product is not in "merchantable condition" as set forth above) will require return directly to the manufacturer. If any such products are returned to Cardinal Health, they will be returned to customer and no credit will be issued. Stickered products will be handled as follows: Cardinal Health will remove the sticker, retain the product and credit the customer (as applicable pursuant to this policy). If the product is damaged during the removal of the sticker, no credit will be issued to customer and the product will be returned to customer.

Notwithstanding the foregoing, in any case where Cardinal Health accepts the return of such products and agrees to return such products to the applicable manufacturer on behalf of customer (provided the manufacturer allows the return of such products), any credit issued to customer will be determined by Cardinal Health.

**Required Return Documentation**

Prior to returning any product to Cardinal Health, customer must execute and deliver to Cardinal Health a **Cardinal Health Returned Goods Authorization Ongoing Assurance** verifying that all returned products have been kept under proper conditions for storage, handling, and shipping. A fully completed and signed **Merchandise Return Authorization Form** (the "MRA Form") must accompany all products to be returned. **Note:** An MRA Form cannot be fully completed without a valid invoice number. The request for an MRA Form will be rejected if a valid invoice number is not provided.

**Controlled Substances**

Credit for the return of controlled substances requires a separate MRA Form and such returns must comply with all applicable laws, rules and regulations in addition to the terms and conditions of this policy.

**Refrigerated, Chemotherapy and Hazardous Products**

Refrigerated, chemotherapy and hazardous products must be returned in packaging that complies with applicable regulatory requirements. All such products that are not returned in packaging that complies with applicable regulatory requirements will be considered damaged and unsaleable. This product will be destroyed and no credit will be issued to customer.

**Shorts and Damaged Products**

Claims of order shortages (e.g., products invoiced but not received), filling errors and damage must be reported within three (3) business days from the applicable invoice date, or no credit will be issued. Returns of damaged products or products shipped in error must be received by the Cardinal Health servicing distribution center within ten (10) business days from the applicable invoice date, or no credit will be issued. Controlled substance shortage claims must be reported immediately per DEA requirements. In all instances, credit will not be issued until verification of the claim by Cardinal Health.

No deductions may be taken by customer until a valid credit memo is issued by Cardinal Health.

**Shipping of Return Products**

Products to be returned must be placed in a proper shipping container and signed for by the driver when picked up.

Signed MRA Forms shall be included in totes with the returned products. Only one (1) MRA Form shall be included in each tote.

- a) If the MRA Form is not signed, no credit will be issued, and the products will be returned to the customer.

- b) If the MRA Form is not inside the tote with the returned products, Cardinal Health will attempt to identify the customer that returned the products. The tote will then be returned to the customer with a request for a completed MRA Form(s).
- c) No credit will be issued for products returned but not listed on the accompanying MRA Form. Such products will be returned to the customer.

All MRA Forms will be reviewed by Cardinal Health for compliance with this policy. The acceptability and valuation of any return is at the sole discretion of Cardinal Health.

Products must be returned to the customer's servicing Cardinal Health distribution center within thirty (30) days from the date of customer's request for an MRA Form, or no credit will be issued. In addition to the requirements set forth in this policy, Customer shall comply with all return procedures required by the Cardinal Health servicing distribution center.

**Other Restrictions**

Excessive returns may result in higher restocking fees as deemed necessary by Cardinal Health. In such an instance, Cardinal Health shall provide customer and MMCAP with at least (30) days written notice prior to implementing a higher restocking fee.

This policy is subject to change without prior notice by Cardinal Health. This policy is further subject to modification as may be deemed necessary or appropriate by Cardinal Health to comply with applicable federal and/or state regulations, FDA guidelines, state law, and other restrictions applicable to returned products. Cardinal Health will use commercially reasonable efforts to notify MMCAP of any change to this policy within ten (10) business days of said change.

## **Attachment E - MPA**

Each MMCAP Member's Member-requested Participation Agreement (MPA) shall be, to the extent applicable, attached and incorporated as an Exhibit into this Attachment by amendment.

## AMENDMENT NO. 1 TO MMCAP CONTRACT NO. MMS15001

**THIS AMENDMENT** is by and between the State of Minnesota, through its Commissioner of Administration, on behalf of the Minnesota Multistate Contracting Alliance for Pharmacy ("MMCAP") and Cardinal Health 110, LLC, Cardinal Health 411, Inc. and Cardinal Health 107, LLC, whose designated business address is 7000 Cardinal Place, Dublin, Ohio 43017 (collectively, "WHOLESALE").

MMCAP has a contract with the Wholesaler identified as MMCAP Contract No. MMS15001 ("Original Contract") to provide the services of a pharmaceutical wholesaler to distribute pharmaceuticals, over the counter products, nutritionals, and vaccines to MMCAP members.

### Amendment

This Amendment will be effective December 1, 2014, and continue until the end of the term of the Original Contract.

**Revision 1:** Upon request of the State of South Dakota, South Dakota Human Services, Wholesaler will provide pharmaceutical wholesaler distribution services to the State of South Dakota as their selected wholesaler.

**Revision 2:** Article 13. Intellectual Property and Data Rights, 13.1 MMCAP Ownership is replaced with the following:

13.1 *MMCAP Ownership.* MMCAP owns all rights, title, and interest in MMCAP customer data, sales transaction data, DEA/HIN information (subject to third-party rights), contract pricing, EDI transaction data, reverse distribution data, and payment data, including copyrights and trade secrets contained therein. MMCAP grants to WHOLESALE an unlimited, non-revocable, nontransferable, fully paid license, for the term of this Contract, to (i) release state specific data to an MMCAP Member's State primary contact; (ii) release any of the above data to product manufacturers, when necessary for the performance of this Contract or as required by WHOLESALE's agreements with such product manufacturers; (iii) to release any of the above data to other MMCAP-approved third parties, when necessary for the performance of this Contract; (iv) to provide MMCAP Member purchase data to aggregators, including IMS Health and NDC Health, subject to WHOLESALE's reasonable efforts to require such data aggregators to protect any identifiable data from discovery by another third party; and (v) to provide MMCAP Member purchase data to other group purchasing organizations of which the MMCAP Member is also a member, provided such data will not include MMCAP-identifiable data. Any MMCAP identifiable data provided hereunder to a third party must identify the data as MMCAP data and subject to Minn. Stat. Ch. 13. *To the extent permitted by law*, WHOLESALE hereby agrees that in the event that MMCAP or an MMCAP Member requests in writing that its purchase data be kept confidential, such data will not be provided to third party aggregators.

**AMENDMENT NO. 1 TO MMCAP CONTRACT NO. MMS15001**

**Revision 3:** Attachment C. Table 3: Service Fee Discount Exceptions is replaced with the following:

Product	Service Fee Discount
Sovaldi® (Sofosbuvir 400MG TAB)	-2.60%
Harvoni® (90MG Ledipasvir and 400MG Sofosbuvir TAB)	-2.60%
Olysio® (Simeprevir 150MG CAP)	-2.10%

**Revision 4:** Attachment A., Section 4.12 Invoicing, A. Order Invoice, Sections 7 and 8 are replaced with the following:

7. Cardinal SPD is required to utilize the MMCAP contract price associated with MMCAP Contract Products distributed through Cardinal SPD. If Cardinal SPD has the same NDC available through its contracting as is contracted under MMCAP, Cardinal SPD will provide the CIN utilizing the MMCAP contract pricing. Service fee discounts will be applied to MMCAP Contract Products that are drop shipped through Cardinal SPD. Cardinal SPD is required to stock or make available those MMCAP contracted Blood Factor and MMCAP-contracted Plasma Products, ensuring primacy of these Contract Product items. In a secondary placement, Cardinal SPD-contracted Blood Factor and Cardinal SPD contracted Plasma Products that are not MMCAP Contract Products will be billed at market price, as communicated to the MMCAP Participating Facility prior to purchase, and for which the market price may exceed WAC.
8. Except as otherwise set forth herein, any non-contract brand prescription product purchases will be invoiced at no more than WAC.

**AMENDMENT NO. 1 TO MMCAP CONTRACT NO. MMS15001**

Except as amended, the terms and conditions of the Original Contract and any previous amendments remain in full force and effect.

**1. Cardinal Health 110, LLC, Cardinal Health 411, Inc., and Cardinal Health 107, LLC.**

This certifies that the appropriate person(s) have executed this Agreement on behalf of the Wholesaler as required by applicable articles, bylaws, resolutions, or ordinances.

By: James L. Scott  
James L. Scott  
Title: SVP, National Markets  
Date: 1/05/15

**2. STATE OF MINNESOTA FOR MMCAP**

In accordance with Minn. Stat. § 16C.03, subd. 3

By: Lf Vard-Platt, CST  
Title: SPA P  
Date: 1/12/2015

**3. COMMISSIONER OF ADMINISTRATION**

In accordance with Minn. Stat. § 16C.05, subd. 2

By: Heather C. Brett  
Date: Jan. 12, 2015

## **AMENDMENT NO. 2 TO MMCAP CONTRACT NO. MMS15001**

**THIS AMENDMENT** is by and between the State of Minnesota, through its Commissioner of Administration, on behalf of the Minnesota Multistate Contracting Alliance for Pharmacy ("MMCAP") and Cardinal Health 110, LLC, Cardinal Health 411, Inc. and Cardinal Health 107, LLC, whose designated business address is 7000 Cardinal Place, Dublin, Ohio 43017 (collectively, "WHOLESALE").

MMCAP has a contract with the Wholesaler identified as MMCAP Contract No. MMS15001 ("Original Contract") to provide the services of a pharmaceutical wholesaler to distribute pharmaceuticals, over the counter products, nutritionals, and vaccines to MMCAP members.

### **Amendment**

This Amendment will be effective January 1, 2015, and continue until the end of the term of the Original Contract.

**Revision 1:** Upon request of the State of Alaska, Wholesaler will provide pharmaceutical wholesaler distribution services to the State of Alaska as their selected wholesaler.

**Revision 2:** Upon request of the State of Nevada, Wholesaler will provide pharmaceutical wholesaler distribution services to the State of Nevada as their selected wholesaler.

**Revision 3:** Upon request of the State of Nebraska, Wholesaler will provide pharmaceutical wholesaler distribution services to the State of Nebraska as their selected wholesaler.

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**AMENDMENT NO. 2 TO MMCAP CONTRACT NO. MMS15001**

Except as amended, the terms and conditions of the Original Contract and any previous amendments remain in full force and effect.

**1. Cardinal Health 110, LLC, Cardinal Health 411, Inc., and Cardinal Health 107, LLC.**

This certifies that the appropriate person(s) have executed this Agreement on behalf of the Wholesaler as required by applicable articles, bylaws, resolutions, or ordinances.

By: James L. Scott  
Title: SVP, National Markets

Date: 1/5/15

**2. STATE OF MINNESOTA FOR MMCAP**

In accordance with Minn. Stat. § 16C.03, subd. 3

By: Sandra Christensen  
Title: Pharmacy Analyst  
Date: 02.12.15

**3. COMMISSIONER OF ADMINISTRATION**

In accordance with Minn. Stat. § 16C.05, subd. 2

By: Heather Christ  
Date: Feb. 12, 2015

### AMENDMENT NO. 3 TO MMCAP CONTRACT NO. MMS15001

THIS AMENDMENT is by and between the State of Minnesota, through its Commissioner of Administration, on behalf of the Minnesota Multistate Contracting Alliance for Pharmacy ("MMCAP") and Cardinal Health 110, LLC, Cardinal Health 411, Inc. and Cardinal Health 107, LLC, whose designated business address is 7000 Cardinal Place, Dublin, Ohio 43017 (collectively, "WHOLESALER").

MMCAP has a contract with the Wholesaler identified as MMCAP Contract No. MMS15001 ("Original Contract") to provide the services of a pharmaceutical wholesaler to distribute pharmaceuticals, over the counter products, nutritionals, and vaccines to MMCAP members.

#### Amendment (DLB)

This Amendment will be effective January 1, 2015, and continue until the end of the term of the Original Contract.

Revision: Upon request of the State of Washington, Wholesaler will provide pharmaceutical wholesaler distribution services to the State of Washington as their selected wholesaler in accordance with the Contract and amended Attachment E, E-1, which is attached and incorporated.

Except as amended, the terms and conditions of the Original Contract and any previous amendments remain in full force and effect.

#### 1. Cardinal Health 110, LLC, Cardinal Health 411, Inc., and Cardinal Health 107, LLC.

This certifies that the appropriate person(s) have executed this Agreement on behalf of the Wholesaler as required by applicable articles, bylaws, resolutions, or ordinances.

By:

James L. Scott

Title:

SVP, National Markets

Date:

1/15/15

#### 2. STATE OF MINNESOTA FOR MMCAP

In accordance with Minn. Stat. § 16C.03, subd. 3

By:

L. F. Vondra, Ph.D.

Title:

SPA P

Date:

1/12/2015

#### 3. COMMISSIONER OF ADMINISTRATION

In accordance with Minn. Stat. § 16C.05, subd. 2

By:

Heather Brett

Date:

Jan. 12, 2015

## **AMENDMENT NO. 4 TO MMCAP CONTRACT NO. MMS15001**

**THIS AMENDMENT** is by and between the State of Minnesota, through its Commissioner of Administration, on behalf of the Minnesota Multistate Contracting Alliance for Pharmacy ("MMCAP") and Cardinal Health 110, LLC, Cardinal Health 411, Inc. and Cardinal Health 107, LLC, whose designated business address is 7000 Cardinal Place, Dublin, Ohio 43017 (collectively, "WHOLESALER").

MMCAP has a contract with the Wholesaler identified as MMCAP Contract No. MMS15001 ("Original Contract") to provide the services of a pharmaceutical wholesaler to distribute pharmaceuticals, over the counter products, nutritionals, and vaccines to MMCAP members.

### **Amendment**

This Amendment will be effective February 1, 2015, and continue until the end of the term of the Original Contract.

**Revision 1:** Upon request of the **State of Delaware**, Wholesaler will provide pharmaceutical wholesaler distribution services to the State of Delaware as their selected wholesaler.

**Revision 2:** Upon request of the **State of Minnesota**, Wholesaler will provide pharmaceutical wholesaler distribution services to the State of Minnesota as their selected wholesaler.

**Revision 3:** Upon request of the **State of New Mexico**, Wholesaler will provide pharmaceutical wholesaler distribution services to the State of New Mexico as their selected wholesaler.

**Revision 4:** Upon request of the **State of North Carolina**, Wholesaler will provide pharmaceutical wholesaler distribution services to the State of North Carolina as their selected wholesaler.

**Revision 5:** Upon request of the **State of Virginia**, Wholesaler will provide pharmaceutical wholesaler distribution services to the State of Virginia as their selected wholesaler.

**Revision 6:** Upon request of the **State of West Virginia**, Wholesaler will provide pharmaceutical wholesaler distribution services to the State of West Virginia as their selected wholesaler.

**Revision 7:** Upon request of the **State of Wisconsin**, Wholesaler will provide pharmaceutical wholesaler distribution services to the State of Wisconsin as their selected wholesaler.

**Revision 8:** Upon request of the **State of Wyoming**, Wholesaler will provide pharmaceutical wholesaler distribution services to the State of Wyoming as their selected wholesaler.

**Revision 9:** Upon request of the **State of Texas**, Wholesaler will provide pharmaceutical wholesaler distribution services to the State of Texas as their selected wholesaler. MMCAP Members in the State of Texas utilizing the Texas Department of State Health Services (as known as TX DSHS or Texas HHS) wholesaler contract are not subject to this provision.

**AMENDMENT NO. 4 TO MMCAP CONTRACT NO. MMS15001**

**Except as amended, the terms and conditions of the Original Contract and any previous amendments remain in full force and effect.**

**1. Cardinal Health 110, LLC, Cardinal Health 411, Inc., and Cardinal Health 107, LLC**

This certifies that the appropriate person(s) have executed this Agreement on behalf of the Wholesaler as required by applicable articles, bylaws, resolutions, or ordinances.

By:   
James L. Scott

Title: Senior Vice President, National Markets

Date: January 26, 2015

**2. STATE OF MINNESOTA FOR MMCAP**

In accordance with Minn. Stat. § 16C.03, subd. 3

By: 

Title: Pharmacy Analyst

Date: 1-29-15

**3. COMMISSIONER OF ADMINISTRATION**

In accordance with Minn. Stat. § 16C.05, subd. 2

By: 

Date: Jan. 29, 2015

## **AMENDMENT NO. 5 TO MMCAP CONTRACT NO. MMS15001**

**THIS AMENDMENT** is by and between the State of Minnesota, through its Commissioner of Administration, on behalf of the Minnesota Multistate Contracting Alliance for Pharmacy ("MMCAP") and Cardinal Health 110, LLC, Cardinal Health 411, Inc. and Cardinal Health 107, LLC, whose designated business address is 7000 Cardinal Place, Dublin, Ohio 43017 (collectively, "WHOLESALE").

MMCAP has a contract with the Wholesaler identified as MMCAP Contract No. MMS15001 ("Original Contract") to provide the services of a pharmaceutical wholesaler to distribute pharmaceuticals, over the counter products, nutritionals, and vaccines to MMCAP members.

### **Amendment**

This Amendment will be effective February 1, 2015, and continue until the end of the term of the Original Contract.

**Revision 1:** Upon request of the State of South Carolina, Wholesaler will provide pharmaceutical wholesaler distribution services to the State of South Carolina as their selected wholesaler in accordance with the Contract and the amended Attachment E, E-4 which is attached and now incorporated into the Contract.

**Revision 2:** Upon request of the State of Idaho, Wholesaler will provide pharmaceutical wholesaler distribution services to the State of Idaho as their selected wholesaler in accordance with the Contract and the amended Attachment E, E-5 which is attached and now incorporated into the Contract.

**Revision 3:** Upon request of the State of Georgia, Wholesaler will provide pharmaceutical wholesaler distribution services to the State of Georgia as their selected wholesaler in accordance with the Contract and the amended Attachment E, E-6 which is attached and now incorporated into the Contract.

Remainder of Page Intentionally Left Blank

Except as amended, the terms and conditions of the Original Contract and any previous amendments remain in full force and effect.

**1. Cardinal Health 110, LLC, Cardinal Health 411, Inc., and Cardinal Health 107, LLC.**

This certifies that the appropriate person(s) have executed this Agreement on behalf of the Wholesaler as required by applicable articles, bylaws, resolutions, or ordinances.

By: James L. Scott  
Title: SVP, Natural Market  
Date: 3/2/15

**2. STATE OF MINNESOTA FOR MMCA**

In accordance with Minn. Stat. § 16C.03, subd. 3

By: L. Vande Puit, CPT  
Title: SPAR  
Date: 3/2/2015

**3. COMMISSIONER OF ADMINISTRATION**

In accordance with Minn. Stat. § 16C.05, subd. 2

By: Heather Chitt  
Date: March 2, 2015



## AMENDMENT NO. 6 TO MMCAP CONTRACT NO. MMS15001

**THIS AMENDMENT** is by and between the State of Minnesota, through its Commissioner of Administration, on behalf of the Minnesota Multistate Contracting Alliance for Pharmacy ("MMCAP") and Cardinal Health 110, LLC, Cardinal Health 411, Inc. and Cardinal Health 107, LLC, whose designated business address is 7000 Cardinal Place, Dublin, Ohio 43017 (collectively, "WHOLESALE").

MMCAP has a contract with the Wholesaler identified as MMCAP Contract No. MMS15001 ("Original Contract") to provide the services of a pharmaceutical wholesaler to distribute pharmaceuticals, over the counter products, nutritionals, and vaccines to MMCAP members.

### Amendment

This Amendment will be effective when signed. The parties agree the terms and conditions will apply to the MMCAP Members as of February 1, 2015, and continue until the end of the term of the Original Contract.

**Revision 1:** Upon request of the **State of Arizona**, Wholesaler will provide pharmaceutical wholesaler distribution services to the State of Arizona as their selected wholesaler. At the point in which an Attachment E (E-8) is executed for the State of Arizona, that Attachment E (E-8) will automatically be incorporated into this Amendment 6 and will be effective as of the date it is fully executed by the parties.

**Revision 2:** Upon request of the **State of Maine**, Wholesaler will provide pharmaceutical wholesaler distribution services to the State of Maine as their selected wholesaler.

**Revision 3:** Upon request of the **State of Maryland**, Wholesaler will provide pharmaceutical wholesaler distribution services to the State of Maryland as their selected wholesaler. At the point in which an Attachment E (E-2) is executed for the State of Maryland, that Attachment E (E-2) will automatically be incorporated into this Amendment 6 and will be effective as of the date it is fully executed by the parties.

**Revision 4:** Upon request of the **State of North Dakota**, Wholesaler will provide pharmaceutical wholesaler distribution services to the State of North Dakota as their selected wholesaler.

**Revision 5:** Upon request of the **State of New Hampshire**, Wholesaler will provide pharmaceutical wholesaler distribution services to the State of New Hampshire as their selected wholesaler. At the point in which an Attachment E (E-7) is executed for the State of New Hampshire, that Attachment E (E-7) will automatically be incorporated into this Amendment 6 and will be effective as of the date it is fully executed by the parties.

**Revision 6:** Upon request of the **State of New York**, Wholesaler will provide pharmaceutical wholesaler distribution services to the State of New York as their selected wholesaler. At the point in which an Attachment E (E-9) is executed for the State of New York, that Attachment E (E-9) will automatically be incorporated into this Amendment 6 and will be effective as of the date it is fully executed by the parties.

**Revision 7:** Upon request of the **State of Rhode Island**, Wholesaler will provide pharmaceutical wholesaler distribution services to the State of Rhode Island as their selected wholesaler.

**Revision 8:** Upon request of the **State of Vermont**, Wholesaler will provide pharmaceutical wholesaler distribution services to the State of Vermont as their selected wholesaler.

**Revision 9:** Upon request of the **City of Chicago**, Wholesaler will provide pharmaceutical wholesaler distribution services to the City of Chicago as their selected wholesaler.

**Revision 10:** Upon request of the **City of Los Angeles**, Wholesaler will provide pharmaceutical wholesaler distribution services to the City of Los Angeles as their selected wholesaler.

**Revision 11:** Effective when signed, Section 37 is added to the Original Contract:

**37. Antitrust.** The Wholesaler hereby assigns to the State of Minnesota any and all claims for overcharges as to goods and/or services provided in connection with this agreement resulting from antitrust violations that arise under the antitrust laws of the United States, the antitrust laws of the State of Minnesota, and/or the antitrust laws of any Member State unless otherwise assigned directly to that State by Wholesaler ("Antitrust Claim"). To the extent that any rights under this section are further assigned by the State of Minnesota to any other entity or individual, the State of Minnesota shall make good faith efforts to give notice of such further assignment. Additionally, the State of Minnesota, or its assignee, is responsible for submitting or pursuing any claim for recovery that it or its Members hold based upon any rights assigned under this section. Wholesaler shall have no obligation to pay the State of Minnesota any funds recovered from any Antitrust Claim. Nothing herein shall excuse Wholesaler from antitrust claims or liability arising from its own acts or omissions. Wholesaler is not obligated to reimburse the State of Minnesota or any Member State for any funds Wholesaler receives from any judgment or settlement of any Antitrust Claim for which Wholesaler has already submitted a claim for recovery (i.e., prior to the Effective Date of this Amendment).

Except as amended, the terms and conditions of the Original Contract and any previous amendments remain in full force and effect.

**1. Cardinal Health 110, LLC, Cardinal Health 411, Inc., and Cardinal Health 107, LLC.**

This certifies that the appropriate person(s) have executed this Agreement on behalf of the Wholesaler as required by applicable articles, bylaws, resolutions, or ordinances.

By: James L. Scott James L. Scott

Title: SVP, National Markets

Date: March 19, 2015

**2. STATE OF MINNESOTA FOR MMCAP**

In accordance with Minn. Stat. § 16C.03, subd. 3

By: L. F. VandePlaat, CHT

Title: SPA-P

Date: 3/20/2015

**3. COMMISSIONER OF ADMINISTRATION**

In accordance with Minn. Stat. § 16C.05, subd. 2

By: Heather C. Pette

Date: March 20, 2015



## AMENDMENT NO. 7 TO MMCAP CONTRACT NO. MMS15001

**THIS AMENDMENT** is by and between the State of Minnesota, through its Commissioner of Administration, on behalf of the Minnesota Multistate Contracting Alliance for Pharmacy ("MMCAP") and Cardinal Health 110, LLC, Cardinal Health 411, Inc. and Cardinal Health 107, LLC, whose designated business address is 7000 Cardinal Place, Dublin, Ohio 43017 (collectively, "WHOLESALER").

MMCAP has a contract with the Wholesaler identified as MMCAP Contract No. MMS15001 ("Original Contract") to provide the services of a pharmaceutical wholesaler to distribute pharmaceuticals, over the counter products, nutritionals, and vaccines to MMCAP members.

### Amendment


This Amendment will be effective when signed. The parties agree the terms and conditions will apply to the MMCAP Member as of March 1, 2015, and continue until the end of the term of the Original Contract.

**Revision 1:** Upon request of the State of Oregon, Wholesaler will provide pharmaceutical wholesaler distribution services to the State of Oregon as their selected wholesaler. At the point in which an Attachment E (E-10) is executed for the State of Oregon, that Attachment E (E-10) will automatically be incorporated into this Amendment 7 and will be effective as of the date it is fully executed by the parties.

**Except as amended, the terms and conditions of the Original Contract and any previous amendments remain in full force and effect.**


#### 1. Cardinal Health 110, LLC, Cardinal Health 411, Inc., and Cardinal Health 107, LLC.

This certifies that the appropriate person(s) have executed this Agreement on behalf of the Wholesaler as required by applicable articles, bylaws, resolutions, or ordinances.

By:  James L. Scott  
Title: SVP, National Markets  
Date: March 20, 2015

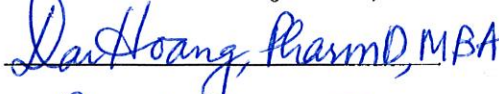
#### 2. STATE OF MINNESOTA FOR MMCAP

In accordance with Minn. Stat. § 16C.03, subd. 3

By:   
Title: Pharmacy Analyst  
Date: 04-09-15

#### 3. COMMISSIONER OF ADMINISTRATION

In accordance with Minn. Stat. § 16C.05, subd. 2

By:   
Date: April 9, 2015

## AMENDMENT NO. 8 TO MMCAP CONTRACT NO. MMS15001

**THIS AMENDMENT** is by and between the State of Minnesota, through its Commissioner of Administration, on behalf of the Minnesota Multistate Contracting Alliance for Pharmacy ("MMCAP") and Cardinal Health 110, LLC, Cardinal Health 411, Inc. and Cardinal Health 107, LLC, whose designated business address is 7000 Cardinal Place, Dublin, Ohio 43017 (collectively, "WHOLESALER").

MMCAP has a contract with the Wholesaler identified as MMCAP Contract No. MMS15001 ("Original Contract") to provide the services of a pharmaceutical wholesaler to distribute pharmaceuticals, over the counter products, nutritionals, and vaccines to MMCAP members.

### Amendment

This Amendment will be effective January 1, 2015, and continue until the end of the term of the Original Contract.

**Revision 1:** Wholesaler will provide pharmaceutical wholesaler distribution services to the City of Lincoln as the selected wholesaler for the State of Nebraska, in accordance with the Contract and amended Attachment E, E-3, which is attached and now incorporated into the Contract.

Except as amended, the terms and conditions of the Original Contract and any previous amendments remain in full force and effect.

#### 1. Cardinal Health 110, LLC, Cardinal Health 411, Inc., and Cardinal Health 107, LLC.

This certifies that the appropriate person(s) have executed this Agreement on behalf of the Wholesaler as required by applicable articles, bylaws, resolutions, or ordinances.

By: James L. Scott James L. Scott  
Title: SVP, National Markets

Date: April 7, 2015

#### 2. STATE OF MINNESOTA FOR MMCAP

In accordance with Minn. Stat. § 16C.03, subd. 3

By: Danilo Christensen  
Title: Pharmacy Analyst  
Date: 04-08-15

#### 3. COMMISSIONER OF ADMINISTRATION

In accordance with Minn. Stat. § 16C.05, subd. 2

By: Dao Hong, PharmD, MBA  
Date: April 8, 2015



## AMENDMENT NO. 9 TO MMCAP CONTRACT NO. MMS15001

**THIS AMENDMENT** is by and between the State of Minnesota, through its Commissioner of Administration, on behalf of the Minnesota Multistate Contracting Alliance for Pharmacy ("MMCAP") and Cardinal Health 110, LLC, Cardinal Health 411, Inc. and Cardinal Health 107, LLC, whose designated business address is 7000 Cardinal Place, Dublin, Ohio 43017 (collectively, "WHOLESALER").

MMCAP has a contract with the Wholesaler identified as MMCAP Contract No. MMS15001 ("Original Contract") to provide the services of a pharmaceutical wholesaler to distribute pharmaceuticals, over the counter products, nutritionals, and vaccines to MMCAP members.

### Amendment

This Amendment will be effective March 1, 2015, and continue until the end of the term of the Original Contract.

**Revision 1:** Upon request of the Connecticut Department of Mental Health & Addiction Services, Wholesaler will provide pharmaceutical wholesaler distribution services to the State of Connecticut as the selected wholesaler.

**Except as amended, the terms and conditions of the Original Contract and any previous amendments remain in full force and effect.**

#### 1. Cardinal Health 110, LLC, Cardinal Health 411, Inc., and Cardinal Health 107, LLC.

This certifies that the appropriate person(s) have executed this Agreement on behalf of the Wholesaler as required by applicable articles, bylaws, resolutions, or ordinances.

By: James L. Scott James L. Scott

Title: SVP, National Markets

Date: February 23, 2015

#### 2. STATE OF MINNESOTA FOR MMCAP

In accordance with Minn. Stat. § 16C.03, subd. 3

By: J. VanderPlaat, PHT

Title: SPA-P

Date: 2/25/2015

#### 3. COMMISSIONER OF ADMINISTRATION

In accordance with Minn. Stat. § 16C.05, subd. 2

By: Heather C. P. H.

Date: Feb. 25, 2015

## AMENDMENT NO. 10 TO MMCAP CONTRACT NO. MMS15001

**THIS AMENDMENT** is by and between the State of Minnesota, through its Commissioner of Administration, on behalf of the Minnesota Multistate Contracting Alliance for Pharmacy ("MMCAP") and Cardinal Health 110, LLC, Cardinal Health 411, Inc. and Cardinal Health 107, LLC, whose designated business address is 7000 Cardinal Place, Dublin, Ohio 43017 (collectively, "WHOLESALER").

MMCAP has a contract with the Wholesaler identified as MMCAP Contract No. MMS15001 ("Original Contract") to provide the services of a pharmaceutical wholesaler to distribute pharmaceuticals, over the counter products, nutritionals, and vaccines to MMCAP members.

### Amendment

This Amendment will be effective April 1, 2015, and continue until the end of the term of the Original Contract.

**Revision 1:** Upon request of the **State of Colorado**, Wholesaler will provide pharmaceutical wholesaler distribution services to the State of Colorado as their selected wholesaler.

**Revision 2:** Upon request of the **State of Indiana**, Wholesaler will provide pharmaceutical wholesaler distribution services to the State of Indiana as their selected wholesaler.

**Revision 3:** Upon request of the **State of Iowa**, Wholesaler will provide pharmaceutical wholesaler distribution services to the State of Iowa as their selected wholesaler.

**Except as amended, the terms and conditions of the Original Contract and any previous amendments remain in full force and effect.**

#### 1. Cardinal Health 110, LLC, Cardinal Health 411, Inc., and Cardinal Health 107, LLC.

This certifies that the appropriate person(s) have executed this Agreement on behalf of the Wholesaler as required by applicable articles, bylaws, resolutions, or ordinances.

By: James L. Scott James L. Scott

Title: SVP, National Markets

Date: February 23, 2015

#### 2. STATE OF MINNESOTA FOR MMCAP

In accordance with Minn. Stat. § 16C.03, subd. 3

By: Jeff VanderKam, CMT

Title: SPA-P

Date: 2/25/2015

#### 3. COMMISSIONER OF ADMINISTRATION

In accordance with Minn. Stat. § 16C.05, subd. 2

By: DeaLyn Christ

Date: Feb. 25, 2015

## AMENDMENT NO. 11 TO MMCAP CONTRACT NO. MMS15001

**THIS AMENDMENT** is by and between the State of Minnesota, through its Commissioner of Administration, on behalf of the Minnesota Multistate Contracting Alliance for Pharmacy ("MMCAP") and Cardinal Health 110, LLC, Cardinal Health 411, Inc. and Cardinal Health 107, LLC, whose designated business address is 7000 Cardinal Place, Dublin, Ohio 43017 (collectively, "WHOLESALER").

MMCAP has a contract with the Wholesaler identified as MMCAP Contract No. MMS15001 ("Original Contract") to provide the services of a pharmaceutical wholesaler to distribute pharmaceuticals, over the counter products, nutritionals, and vaccines to MMCAP members.

### Amendment

This Amendment will be effective as indicated in each Revision, and continue until the end of the term of the Original Contract.

**Revision 1:** Effective as of January 1, 2015, upon request of the **State of Montana**, Wholesaler will provide pharmaceutical wholesaler distribution services to the State of Montana as their selected wholesaler.

**Revision 2:** Effective when Amendment is signed, Article 11. Audits, 11.1 State Audit is replaced with the following:

11.1 **State Audits.** Under Minn. Stat. § 16C.05, subd. 5, the WHOLESALER's books, records, documents, and accounting procedures and practices relevant to this Contract are subject to examination by the State, MMCAP, and/or the State Auditor or Legislative Auditor, as appropriate, for a minimum of six (6) years from the end of this Contract. This clause extends to MMCAP Member Facilities as it relates to business conducted with and sales to that Member Facility.

**Revision 3:** Effective when Amendment is signed, Attachment C. Table 3: Service Fee Discount Exceptions is replaced with the following:

Product	Service Fee Discount
Sovaldi® (Sofosbuvir 400MG TAB)	-2.60%
Harvoni® (90MG Ledipasvir and 400MG Sofosbuvir TAB)	-2.60%
Olysio® (Simeprevir 150MG CAP)	-2.10%
Viekira Pak™ (ombitasvir, paritaprevir, and ritonavir tablets; dasabuvir tablets)	-2.00%

**AMENDMENT NO. 11 TO MMCAP CONTRACT NO. MMS15001**

**Except as amended, the terms and conditions of the Original Contract and any previous amendments remain in full force and effect.**

**1. Cardinal Health 110, LLC, Cardinal Health 411, Inc., and Cardinal Health 107, LLC.**

This certifies that the appropriate person(s) have executed this Agreement on behalf of the Wholesaler as required by applicable articles, bylaws, resolutions, or ordinances.

By: James L. Scott James L. Scott  
Title: SVP, National Markets

Date: February 24, 2015

**2. STATE OF MINNESOTA FOR MMCAP**

In accordance with Minn. Stat. § 16C.03, subd. 3

By: L. VanderPlants, CPA  
Title: SPA-P  
Date: 2/25/2015

**3. COMMISSIONER OF ADMINISTRATION**

In accordance with Minn. Stat. § 16C.05, subd. 2

By: Deatler Britt  
Date: Feb. 25, 2015



## AMENDMENT NO. 12 TO MMCAP CONTRACT NO. MMS15001

**THIS AMENDMENT** is by and between the State of Minnesota, through its Commissioner of Administration, on behalf of the Minnesota Multistate Contracting Alliance for Pharmacy ("MMCAP") and Cardinal Health 110, LLC, Cardinal Health 411, Inc. and Cardinal Health 107, LLC, whose designated business address is 7000 Cardinal Place, Dublin, Ohio 43017 (collectively, "WHOLESALER").

MMCAP has a contract with the Wholesaler identified as MMCAP Contract No. MMS15001 ("Original Contract") to provide the services of a pharmaceutical wholesaler to distribute pharmaceuticals, over the counter products, nutritionals, and vaccines to MMCAP members.

### Amendment

This Amendment will be effective April 1, 2015, and continue until the end of the term of the Original Contract.

**Revision 1:** Upon request of the State of Florida, Wholesaler will provide pharmaceutical wholesaler distribution services to the State of Florida as their selected wholesaler. At the point in which Attachment E (E-11) is executed for the State of Florida, that Attachment E (E-11) will automatically be incorporated into this Amendment 12 and will be effective as of the date it is fully executed by the parties.

**Revision 2:** Upon request of Berks Heim Nursing Home, County of Berks, Leesport, Pennsylvania, Wholesaler will provide pharmaceutical wholesaler distribution services to the Berks Heim Nursing Home as their selected wholesaler.

**Except as amended, the terms and conditions of the Original Contract and any previous amendments remain in full force and effect.**

#### 1. Cardinal Health 110, LLC, Cardinal Health 411, Inc., and Cardinal Health 107, LLC.

This certifies that the appropriate person(s) have executed this Agreement on behalf of the Wholesaler as required by applicable articles, bylaws, resolutions, or ordinances.

By:  James L. Scott

Title: SVP, National Markets

Date: April 9, 2015

#### 2. STATE OF MINNESOTA FOR MMCAP

In accordance with Minn. Stat. § 16C.03, subd. 3

By: 

Title: Pharmacy Analyst

Date: 04-09-2015

#### 3. COMMISSIONER OF ADMINISTRATION

In accordance with Minn. Stat. § 16C.05, subd. 2

By: 

Date: April 9, 2015

## AMENDMENT NO. 13 TO MMCAP CONTRACT NO. MMS15001

**THIS AMENDMENT** is by and between the State of Minnesota, through its Commissioner of Administration, on behalf of the Minnesota Multistate Contracting Alliance for Pharmacy ("MMCAP") and Cardinal Health 110, LLC, Cardinal Health 411, Inc. and Cardinal Health 107, LLC, whose designated business address is 7000 Cardinal Place, Dublin, Ohio 43017 (collectively, "WHOLESALER").

MMCAP has a contract with the Wholesaler identified as MMCAP Contract No. MMS15001 ("Original Contract") to provide the services of a pharmaceutical wholesaler to distribute pharmaceuticals, over the counter products, nutritionals, and vaccines to MMCAP members.

### Amendment

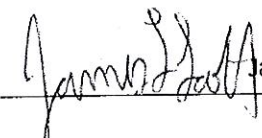
This Amendment will be effective May 1, 2015, and continue until the end of the term of the Original Contract.

**Revision 1:** Upon request of the State of New Jersey, Wholesaler will provide pharmaceutical wholesaler distribution services to the State of New Jersey as their selected wholesaler. At the point in which Attachment E (E-12) is executed for the State of Jersey, that Attachment E (E-12) will automatically be incorporated into this Amendment 13 and will be effective as of the date it is fully executed or as of the effective date of Amendment 13, whichever is the later effective date.

Except as amended, the terms and conditions of the Original Contract and any previous amendments remain in full force and effect.

#### 1. Cardinal Health 110, LLC, Cardinal Health 411, Inc., and Cardinal Health 107, LLC.


This certifies that the appropriate person(s) have executed this Agreement on behalf of the Wholesaler as required by applicable articles, bylaws, resolutions, or ordinances.

By:  James L. Scott  
Title: SVP, National Markets

Date: April 9, 2015


#### 2. STATE OF MINNESOTA FOR MMCAP

In accordance with Minn. Stat. § 16C.03, subd. 3

By:   
Title: Pharmacy Analyst  
Date: 04-09-15

#### 3. COMMISSIONER OF ADMINISTRATION

In accordance with Minn. Stat. § 16C.05, subd. 2

By:   
Date: April 9, 2015



AMENDMENT NO. 14 TO MMCAP CONTRACT NO. MMS15001

THIS AMENDMENT is by and between the State of Minnesota, through its Commissioner of Administration, on behalf of the Minnesota Multistate Contracting Alliance for Pharmacy ("MMCAP") and Cardinal Health 110, LLC, Cardinal Health 411, Inc. and Cardinal Health 107, LLC, whose designated business address is 7000 Cardinal Place, Dublin, Ohio 43017 (collectively, "WHOLESALER").

MMCAP has a contract with the Wholesaler identified as MMCAP Contract No. MMS15001 ("Original Contract") to provide the services of a pharmaceutical wholesaler to distribute pharmaceuticals, over the counter products, nutritionals, and vaccines to MMCAP members.

Amendment

This Amendment will be effective when signed, and continue until the end of the term of the Original Contract.

**Revision 1:** At the point in which Attachment E (E-13) is executed for Miami Dade County, Florida with the Wholesaler, as the selected wholesaler for the State of Florida, Attachment E (E-13) will automatically be incorporated into this Amendment 14 and will be effective as of the date it is fully executed by the parties.

Except as amended, the terms and conditions of the Original Contract and any previous amendments remain in full force and effect.

1. Cardinal Health 110, LLC, Cardinal Health 411, Inc., and Cardinal Health 107, LLC.

This certifies that the appropriate person(s) have executed this Agreement on behalf of the Wholesaler as required by applicable articles, bylaws, resolutions, or ordinances.

By: James L. Scott James L. Scott  
Title: SVP, National Markets

Date: June 19, 2015 2015

2. STATE OF MINNESOTA FOR MMCAP

In accordance with Minn. Stat. § 16C.03, subd. 3

By: Danahue Christensen  
Title: Pharmacy Analyst  
Date: 6-24-15

3. COMMISSIONER OF ADMINISTRATION

In accordance with Minn. Stat. § 16C.05, subd. 2

By: Da Hoang Pham, MBA  
Date: June 24, 2015

## AMENDMENT NO. 15 TO MMCAP CONTRACT NO. MMS15001

**THIS AMENDMENT** is by and between the State of Minnesota, through its Commissioner of Administration, on behalf of the Minnesota Multistate Contracting Alliance for Pharmacy ("MMCAP") and Cardinal Health 110, LLC, Cardinal Health 411, Inc. and Cardinal Health 107, LLC, whose designated business address is 7000 Cardinal Place, Dublin, Ohio 43017 (collectively, "WHOLESALER").

MMCAP has a contract with the Wholesaler identified as MMCAP Contract No. MMS15001 ("Original Contract") to provide the services of a pharmaceutical wholesaler to distribute pharmaceuticals, over the counter products, nutritionals, and vaccines to MMCAP members.

### Amendment

This Amendment will be effective when signed, and continue until the end of the term of the Original Contract.

**Revision 1:** At the point in which Attachment E (E-15) is executed for **City of Melbourne, Florida** with the Wholesaler, as the selected wholesaler for the State of Florida, Attachment E (E-15) will automatically be incorporated into this Amendment 15 and will be effective as of the date it is fully executed by the parties.

**Revision 2:** Effective when Amendment is signed, Attachment C. Table 3: Service Fee Discount Exceptions is replaced with the following:

Product	Service Fee Discount
Sovaldi® (sofosbuvir 400MG TAB)	-2.60%
Harvoni® (90MG ledipasvir and 400MG sofosbuvir TAB)	-2.60%
Olysio® (simeprevir 150MG CAP)	-2.10%
Viekira Pak™ (ombitasvir, paritaprevir, and ritonavir tables; dasabuvir tablets)	-2.00%
Technivie™ (ombitasvir, paritaprevir and ritonavir tables)	-2.00%
Daklinza™ (daclatasivir 60MG TAB)	-2.15%

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Amendment 15 MMS15001

Except as amended, the terms and conditions of the Original Contract and any previous amendments remain in full force and effect.

**1. Cardinal Health 110, LLC, Cardinal Health 411, Inc., and Cardinal Health 107, LLC.**

This certifies that the appropriate person(s) have executed this Agreement on behalf of the Wholesaler as required by applicable articles, bylaws, resolutions, or ordinances.

By: James L. Scott

Title: SVP, National Markets

Date: October 5, 2015

**2. STATE OF MINNESOTA FOR MMCAP**

In accordance with Minn. Stat. § 16C.03, subd. 3

By: Sancho Christensen

Title: Pharmacy Analyst

Date: 10-5-15

**3. COMMISSIONER OF ADMINISTRATION**

In accordance with Minn. Stat. § 16C.05, subd. 2

By: Heather Christ

Date: Oct. 5, 2015

## AMENDMENT NO. 16 TO MMCAP CONTRACT NO. MMS15001

**THIS AMENDMENT** is by and between the State of Minnesota, through its Commissioner of Administration, on behalf of the Minnesota Multistate Contracting Alliance for Pharmacy ("MMCAP") and Cardinal Health 110, LLC, Cardinal Health 112, LLC and Cardinal Health 107, LLC, whose designated business address is 7000 Cardinal Place, Dublin, Ohio 43017 (collectively, "WHOLESALER").

MMCAP has a contract with the Wholesaler identified as MMCAP Contract No. MMS15001 ("Original Contract") to provide the services of a pharmaceutical wholesaler to distribute pharmaceuticals, over the counter products, nutritionals, and vaccines to MMCAP members.

### Amendment

This Amendment will be effective January 1, 2016, and continue until the end of the term of the Original Contract.

**Revision 1:** WHOLESALER has notified MMCAP that WHOLESALER has been reorganized, and therefore the Original Contract is amended to be between the State of Minnesota, acting through its Minnesota Multistate Contracting Alliance for Pharmacy ("State" or "MMCAP") and Cardinal Health 110, LLC, Cardinal Health 112, LLC and Cardinal Health 107, LLC, whose designated business address is 7000 Cardinal Place, Dublin, Ohio 43017 (collectively, "WHOLESALER").

Applicable Federal Employer Identification numbers (FEINs) for these LLCs are:

<u>Entity</u>	<u>FEIN</u>
Cardinal Health 110, LLC	68-0158739
Cardinal Health 112, LLC	04-3786471
Cardinal Health 107, LLC	31-1214263

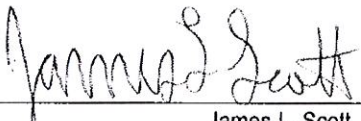
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**AMENDMENT NO. 16 TO MMCAP CONTRACT NO. MMS15001**

Except as amended, the terms and conditions of the Original Contract and any previous amendments remain in full force and effect.

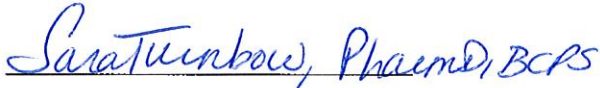
**1. Cardinal Health 110, LLC, Cardinal Health 112, LLC., and Cardinal Health 107, LLC.**

This certifies that the appropriate person(s) have executed this Agreement on behalf of the Wholesaler as required by applicable articles, bylaws, resolutions, or ordinances.

By:   
James L. Scott  
Title: SVP, National Markets  
Date: December 17, 2015


**2. STATE OF MINNESOTA FOR MMCAP**

In accordance with Minn. Stat. § 16C.03, subd. 3

By:   
Title: Pharmacist Sr.  
Date: 12-17-15

**3. COMMISSIONER OF ADMINISTRATION**

In accordance with Minn. Stat. § 16C.05, subd. 2

By:   
Date: Dec. 17, 2015



## AMENDMENT NO. 17 TO MMCAP CONTRACT NO. MMS15001

**THIS AMENDMENT** is by and between the State of Minnesota, through its Commissioner of Administration, on behalf of the Minnesota Multistate Contracting Alliance for Pharmacy ("MMCAP") and Cardinal Health 110, LLC, Cardinal Health 112, LLC, and Cardinal Health 107, LLC, whose designated business address is 7000 Cardinal Place, Dublin, Ohio 43017 (collectively, "WHOLESALER").

MMCAP has a contract with the Wholesaler identified as MMCAP Contract No. MMS15001 ("Original Contract") to provide the services of a pharmaceutical wholesaler to distribute pharmaceuticals, over the counter products, nutritionals, and vaccines to MMCAP members.

### Amendment

This Amendment will be effective when signed, and continue until the end of the term of the Original Contract.

**Revision 1:** At the point in which Attachment E (E-16) is executed for the **State of North Carolina** with the Wholesaler, as the selected wholesaler for the State of North Carolina, Attachment E (E-16) will automatically be incorporated into this Amendment 17 and will be effective as of the date it is fully executed by the parties.

**Except as amended, the terms and conditions of the Original Contract and any previous amendments remain in full force and effect.**

#### 1. Cardinal Health 110, LLC, Cardinal Health 112, LLC, and Cardinal Health 107, LLC.

This certifies that the appropriate person(s) have executed this Agreement on behalf of the Wholesaler as required by applicable articles, bylaws, resolutions, or ordinances.

By: James L. Scott  
James L. Scott

Title: SVP, National Markets

Date: March 11, 2016

#### 2. STATE OF MINNESOTA FOR MMCAP

In accordance with Minn. Stat. § 16C.03, subd. 3

By: Sara Turnbow, PharmD, BCPS

Title: Pharmacist Sr.

Date: 3-11-16

#### 3. COMMISSIONER OF ADMINISTRATION

In accordance with Minn. Stat. § 16C.05, subd. 2

By: Heather Chubbett

Date: March 11, 2016

## AMENDMENT NO. 18 TO MMCAP CONTRACT NO. MMS15001

**THIS AMENDMENT** is by and between the State of Minnesota, through its Commissioner of Administration, on behalf of the Minnesota Multistate Contracting Alliance for Pharmacy ("MMCAP") and Cardinal Health 110, LLC, Cardinal Health 112, LLC, and Cardinal Health 107, LLC, whose designated business address is 7000 Cardinal Place, Dublin, Ohio 43017 (collectively, "WHOLESALE").

MMCAP has a contract with the Wholesaler identified as MMCAP Contract No. MMS15001 ("Original Contract") to provide the services of a pharmaceutical wholesaler to distribute pharmaceuticals, over the counter products, nutritionals, and vaccines to MMCAP members.

### Contract Amendment

This Amendment will be effective when signed, and continue until the end of the term of the Original Contract.

Effective when signed the following revisions will be made:

**Revision 1:** Article 1.2 Expiration Date of the Original Contract is replaced in its entirety with the following:

#### 1. Term of Contract and Exhibits

1.2 **Expiration date:** October 31, 2017 or until all obligations have been satisfactorily fulfilled, whichever occurs first. The Contract may be extended for up to an additional two (2) years, at increments determined by MMCAP, on written acceptance by both parties, for a total term not to exceed five (5) years from the Contract effective date.

**Revision 2:** Article 7, Authorized Representative, second paragraph, of the Original Contract is replaced in its entirety with the following:

The WHOLESALE's Authorized Representative is Wendy Sease, Director, National Accounts at the following business address and telephone number: 7000 Cardinal Place, Dublin, OH 43017, 651-247-0695 Wendy.Sease@cardinalhealth.com, or his/her successor or designee. If the WHOLESALE's Authorized Representative changes at any time during this Contract, the WHOLESALE must immediately notify MMCAP.

**Revision 3:** Article 8. Notices, of the Original Contract is replaced in its entirety with the following:

#### 8. Notices

If one party is required to provide legal notice or notice under the terms of the Contract to the other, such notice will be in writing and will be effective upon dispatch. Delivery shall be by certified United States mail, or by email or facsimile transmission provided the receipt of the transmission is confirmed by the receiving party. Either party must notify the other of a change in address for notification purposes. All notices should be addressed as follows:

MMCAP Wholesaler Coordinator  
Minnesota Multistate Contracting Alliance for  
Pharmacy  
112 Administration Building  
50 Sherburne Avenue  
St. Paul, MN 55155  
Fax: 651-201-3053

VP, National Accounts  
With a copy to: General Counsel  
Cardinal Health 110, LLC  
Cardinal Health 112, LLC  
Cardinal Health 107, LLC  
7000 Cardinal Place  
Dublin, OH 43017

## Amendment 18 to MMCAP Contract MMS15001

**Revision 4:** Attachment A, 4.3 Customer Service, A. Customer Service to MMCAP subsection 1, is replaced in its entirety with the following:

1. The Wholesaler's designated Primary Account Representatives for MMCAP will be Wendy Sease, Director State Government, [wendy.sease@cardinalhealth.com](mailto:wendy.sease@cardinalhealth.com), 651-247-0695 and Clay Miller, Manager State Government, [clay.miller@cardinalhealth.com](mailto:clay.miller@cardinalhealth.com), 614-757-6763.

**Revision 5:** Attachment A, 4.3 Customer Service, A. Customer Service to MMCAP subsection 2 e., is replaced in its entirety with the following:

e. Data/reporting issues and Shareback fee process:

Amanda Whitehill, Senior Analyst, [amanda.whitehill@cardinalhealth.com](mailto:amanda.whitehill@cardinalhealth.com), 614-652-1457.

**Revision 6:** Attachment A, 4.3 Customer Service, A. Customer Service to MMCAP subsection 2, j. Compliance, is added:

j. Compliance:

Alex Fox, Compliance Manager, [alex.fox@cardinalhealth.com](mailto:alex.fox@cardinalhealth.com) 614-757-9449

**Revision 7:** Attachment A, 4.4 Contract Transition and Implementation, the second paragraph following **Week 6**, on page 11, is replaced in its entirety with the following:

Wholesaler requires the following documents be completed and submitted to Wholesaler prior to opening a new account:

1. Confirmation of MMCAP Membership (i.e. MMCAP ID, etc.)
2. Letter of Authorization
3. Contract Pricing Declaration Form, found at:  
<http://www.cardinalhealth.com/pricingdeclaration>
4. State Pharmacy License
5. DEA Certificate, if required for the Products ordered
6. State Controlled Substance License (if applicable)
7. Sales Tax Exempt Certificate
8. Signed Prescription Drug Marketing Act (PDMA) form
9. A contact name will be requested to address any potential Accounts Receivable/Payable issues (credit applications are not required, however, the owner and party responsible for payment will be required)
10. Compliance Representations and Warranties
11. 340B Backorder Setting Customer Acknowledgement (if applicable)
12. Approval to Access Prison Restricted Products (if applicable)

**Revision 8:** Attachment A, 4.5 Inventory Management, C. MMCAP Contract Products, subsection 10., is replaced in its entirety with the following:

10. Wholesaler's designated contact for all usage, inventory, and special order questions for MMCAP is Elizabeth Smith, [elizabeth.smith@cardinalhealth.com](mailto:elizabeth.smith@cardinalhealth.com), 614-553-3313. MMCAP Participating Facilities can contact their account representatives or customer service.



## Amendment 18 to MMCAP Contract MMS15001

**Revision 9:** Attachment A, 4.5 Inventory Management, G. Service Levels, subsection 5., is replaced in its entirety with the following:

5. If the monthly Adjusted Fill Rate for pharmaceutical Products (calculated as set forth above) for a MMCAP Participating Facility account falls below 98.5%, upon request, Wholesaler will provide the affected MMCAP Participating Facility an action plan for improvement and will work in good faith to resolve the Adjusted Fill Rate issue.

**Revision 10:** Attachment A, 4.7 Ordering Equipment, A. Ordering System, subsection 2., is replaced in its entirety with the following:

2. Wholesaler will offer its ordering system(s) to MMCAP Participating Facilities. Wholesaler currently supports the following ordering methods: Internet, EDI, phone orders via interactive voice response, direct call to customer service, handheld device ordering, and fax orders. All ordering methods described below require minimal setup and implementation work with the exception of EDI.
  - a. **Order Express** – is a web-based order entry and inventory management system that will provide MMCAP Participating Facilities with real-time access to up-to-date product information including product availability, immediate order confirmations, 36 months of purchase history for reporting, and other reporting capabilities.
  - b. **EDI Capabilities** - the process for Electronic Purchase Orders begins with the receipt from a customer of an EDI PO (850), followed by the delivery to the customer of an Order Confirmation (855), an Advanced Shipment Notice (ASN) (856) is created once the order is picked, then an Electronic Invoice (810), which is followed by a Electronic Funds Transfer Remittance Advice (820) from the customer. The Wholesaler is required to support all 810, 894 and 880 EDI protocol documents for electronic invoicing as well as 820 notices for electronic remittances. If an MMCAP Participating Facility chooses to implement an EDI solution, Wholesaler will have a dedicated staff who will work with the customer and the third party vendor to develop the appropriate interface to begin trading files.
  - c. **TeleServe** - allows MMCAP Participating Facilities access to Wholesaler's Stock Support Line (866-958-2200) 24 hours a day, 7 (seven) days a week to order Product and check stock status. TeleServe is tied into Wholesaler's pharmaceutical distribution system so users receive instant confirmation that Product is available and will be shipped with the next delivery. The system features interactive voice response.
  - d. **Mobile Order Express with MC40** - allow a user to build and place an order, perform physical inventory and receive their shipment of orders all on the device with no need to cradle or sync to a computer. The Mobile website seamlessly integrates with the desktop experience on Order Express giving the user easy access to the best of both features. With instant synchronization of data between the desktop and mobile experience, any user can review and modify actions throughout the ordering process. The MC40 scans directly in the Mobile Order Express website obtaining the most recent catalog and pricing which provides the pharmacy with accurate stock and pricing information.

The MC1000 builds an order and take inventory offline. The MC1000 syncs with Order Express to allow easy access to ordering and inventory files. The MC1000 carries a full product catalog of available products and displays product details remotely on the device.

- e. **Order Express Application** - A free app that can be utilized on any Android or iOS Smartphone or tablet. The app turns the device into a scanner allowing the user to build daily orders or perform periodic inventories. Email order or inventory files right to the computer without the need to sync data and then import into Order Express.

## Amendment 18 to MMCAP Contract MMS15001

**Revision 11:** Attachment A, 4.7 Ordering Equipment, B. Hardware, Software, and Devices, is replaced in its entirety with the following:

### **B. Hardware, Software, and Devices**

1. Wholesaler agrees that all fees charged for software and/or ordering devices will be listed in Attachment B, Discounts and Fees.
2. MMCAP Participating Facilities that have existing hardware provided by Wholesaler previously will have it remain until it no longer functions or is not needed by the facility. Wholesaler's handheld devices require the installation of Microsoft's Active Sync 4.5 which is currently provided by Microsoft as freeware.
3. Wholesaler's CSOS requires the installation of Axway's Cyclone Activator which is provided by Wholesaler at no charge. Wholesaler is working to have CSOS technology available to MMCAP Participating Facilities that does not require the use of Java.

**Revision 12:** Attachment A, 4.7 Ordering Equipment, D. Inventory at an MMCAP Participating Facility, is replaced in its entirety with the following:

### **D. Inventory at an MMCAP Participating Facility**

Wholesaler will provide, at no cost to the MMCAP Participating Facility, training, software, and reports to perform an onsite inventory. Hiring a physical inventory company is not included in these services. Requests for inventory support need to be made directly with the MMCAP Participating Facility's account representative or customer service. Wholesaler recommends at least fourteen (14) day lead time to reserve extra handheld devices for use in performing inventory; Wholesaler will take reservations for handheld devices up to 60 calendar days prior to the inventory date. Fees associated with extra handheld devices are identified in Attachment B, Discounts and Fees. MMCAP Participating Facilities may also request a set of shelf labels to be printed using the facilities' purchase history. The labels can be printed in Brand or Generic name order for ease of use. Training on the inventory procedure may be on-site or online.

**Revision 13:** Attachment A, 4.8 Order Placement, A. Wholesaler's Ordering System(s), subsection 2., is replaced in its entirety with the following:

2. Wholesaler's ordering system(s) cannot display the following information:
  - Universal Product Number (UPN), - not currently on development plans for an addition to ordering systems(s) data fields
  - HIN number (where applicable) – will be made available Summer 2016

**Revision 14:** Attachment A, 4.9 Delivery, E. Emergency Order, Placement and Delivery, is replaced in its entirety with the following:

### **E. Emergency Order, Placement and Delivery**

Wholesaler's procedure for placement of emergency orders during non-business hours will be made available to each MMCAP Participating Facility upon startup of service. Each MMCAP Participating Facility will be provided twelve (12) emergency orders per calendar year free of charge. Any additional emergency orders beyond the twelve per year that are free will be assessed a fee as detailed in Attachment B, Discounts and Fees. An emergency order is defined as one necessary for immediate and specific patient care which falls outside the normal order and delivery parameters. Using air and ground options, Wholesaler will exhaust all resources in delivering emergency Product in the most

## Amendment 18 to MMCAP Contract MMS15001

timely and efficient methods. Air services may be used at the discretion of the Wholesaler based on the severity of the emergency situation. Wholesaler will make a good faith effort to make emergency deliveries within four (4) hours following receipt of the order. OTC Products are not considered necessary for immediate and specific patient care and therefore do not qualify for free emergency orders. Service fee discounts will be applied to emergency orders as set forth in Attachment B, Discounts and Fees.

**Revision 15:** Attachment A, 4.10 Pedigree, paragraph 5 in this section is replaced in its entirety with the following:

As part of the quarterly executive business review with MMCAP, the Wholesaler will be required to provide updates on the Drug Quality and Security Act, Title II transition and how the Wholesaler is integrating compliance aspects into its work deliverables to MMCAP Participating Facilities and MMCAP. In addition, the Wholesaler is required to provide prompt written notification should the FDA deem the Wholesaler to no longer have the status of an Authorized Trading Partner, for any of its legal entities or a specific distribution center.

**Revision 16:** Attachment A, 4.11 Contract Compliance, A. On-Contract Purchasing is replaced in its entirety with the following:

### **A. On-Contract Purchasing**

Wholesaler agrees to encourage MMCAP Participating Facilities to purchase MMCAP Contract Products. Wholesaler must not condone or encourage in any way the purchase substitution of an MMCAP Contract Product with that of a Non-Contract Product. However, if the purchase substitution is to a product within the product portfolio(s) available to MMCAP Participating Facilities under the Wholesaler's Generic Drug Program (4.16 Other Value –Added Services, A. Wholesaler's Generic Drug Program), this is an allowable purchase substitution practice. To ensure overall MMCAP Participating Facility contract compliance, Wholesaler may be asked to provide, at no cost to the MMCAP State Contacts in each state served by the Wholesaler, a monthly report containing the following fields:

1. MMCAP Participating Facility name
2. Wholesaler account number
3. Contract volume (in dollars) by facility
4. Not-on-contract volume (in dollars) by facility
5. Total volume (in dollars) amounts by facility
6. Number of line items shipped to the facility

**Revision 17:** Attachment A, 4.11 Contract Compliance, C. Reporting Tools, Subsection 4., is replaced in its entirety with the following:

4. Upon request, Wholesaler will set up a user login on Wholesaler's online ordering system(s) for each MMCAP Member State and MMCAP with all MMCAP Participating Facility accounts for the purpose of reporting at no cost.

**Revision 18:** Attachment A, 4.12 Invoicing, C. Credit and Rebills, Subsection 12., is deleted.

~~12. Wholesaler agrees that rebills will reflect the net difference owed or due after any original credited amount has been applied.~~

Amendment 18 to MMCAP Contract MMS15001

**Revision 19:** Attachment A, 4.18 Shareback Credits, last paragraph in this section, is replaced in its entirety with the following:

Should MMCAP change its process for the Shareback Credit to a more frequent interval (semi-annual, quarterly), any time during the term of this Contract, the Wholesaler will continue to manage this process as a service inclusion, with no additional cost or fee withhold to MMCAP or MMCAP Participating Facilities. In providing documentation to the MMCAP Participating Facilities, MMCAP requires that the description on the credit invoice reflect "MMCAP Shareback". A description that refers to the Shareback credit as a "rebate" is not acceptable.

**Revision 20:** References in the Contract, specific to "cardinal.com" and "entelligence" are to be noted as no longer available through this Contract.

**Revision 21:** Attachment B, Other Fees, 4. Inventory Support, is replaced in its entirety with the following:

4. Inventory Support

Inventory Support	Fees
Restocking Fee	Returns subject to specific requirements outlined within Attachment D (Wholesaler's Returned Goods Policy).
Shelf Labels	No Charge
On-site support of physical inventory	No Charge
Handheld devices	Price per Device <ul style="list-style-type: none"><li>• MC 1000 – Long Term Lease, minimum 3 month requirement, \$25/month or \$250 per year</li><li>• Physical Inventory<ul style="list-style-type: none"><li>- Single Unit, 1 docking station \$50</li><li>- Small Bundle, 4 handhelds, 1 docking station \$150</li><li>- Large Bundle, 6 handhelds, 2 docking stations \$250</li></ul></li><li>• MC 40 – Long Term Lease \$100/month</li></ul>

**Revision 22:** Attachment C, Table3: Service Fee Discount Exceptions, is replaced with the following:

Drug Class	Service Fee Discount
Direct Acting Antivirals for Hepatitis-C (including, but not limited to: Sovaldi®, Harvoni®, Olysio®, Viekira Pak™, Technivie™, Daklinza™, Zepatier™)	-2.60%

**Revision 23:** Effective as of November 1, 2016, Attachment B, Other Fees, 1. Deliveries, subsection g., is added.

- g. MMCAP Members are responsible for notifying the Wholesaler of any expected facility closures (holiday, inventory, etc.). In the event Wholesaler attempts to make a delivery of an order for an MMCAP Member that has failed to notify the Wholesaler of an expected facility closure, and the delivery attempt results in a non-delivery, requiring the order to be returned to the distribution center, the Wholesaler will be allowed to assess the MMCAP Member a \$60 fee for a failure to notify. This fee will not be assessed if the delivery attempt failure is due to an unexpected facility closure.

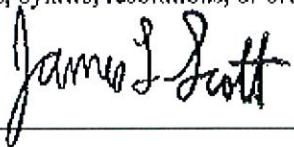
Amendment 18 to MMCAP Contract MMS15001

Except as amended, the terms and conditions of the Original Contract and any previous amendments remain in full force and effect.

1. Cardinal Health 110, LLC, Cardinal Health 112, LLC, and Cardinal Health 107, LLC.

This certifies that the appropriate person(s) have executed this Agreement on behalf of the Wholesaler as required by applicable articles, bylaws, resolutions, or ordinances.

By:



Title: SVP, National Markets

Date: March 30, 2016

2. STATE OF MINNESOTA FOR MMCAP

In accordance with Minn. Stat. § 16C.03, subd. 3

By:



Title:

Pharmacy Analyst

Date:

03-30-2016

3. COMMISSIONER OF ADMINISTRATION

In accordance with Minn. Stat. § 16C.05, subd. 2

By:



Date:

3-30-16

## AMENDMENT NO. 19 TO MMCAP CONTRACT NO. MMS15001

**THIS AMENDMENT** is by and between the State of Minnesota, through its Commissioner of Administration, on behalf of the Minnesota Multistate Contracting Alliance for Pharmacy ("MMCAP") and Cardinal Health 110, LLC, Cardinal Health 112, LLC, and Cardinal Health 107, LLC, whose designated business address is 7000 Cardinal Place, Dublin, Ohio 43017 (collectively, "WHOLESALE").

MMCAP has a contract with the Wholesaler identified as MMCAP Contract No. MMS15001 ("Original Contract") to provide the services of a pharmaceutical wholesaler to distribute pharmaceuticals, over the counter products, nutritionals, and vaccines to MMCAP members.

### Amendment

This Amendment will be effective when signed, and continue until the end of the term of the Original Contract.

**Revision 1:** At the point in which Attachment E (E-17) is executed for the **State of Alaska** with the Wholesaler, as the selected wholesaler for the State of Alaska, Attachment E (E-17) will automatically be incorporated into this Amendment 19 and will be effective as of the date it is fully executed by the parties.

**Except as amended, the terms and conditions of the Original Contract and any previous amendments remain in full force and effect.**

#### 1. Cardinal Health 110, LLC, Cardinal Health 112, LLC, and Cardinal Health 107, LLC.

This certifies that the appropriate person(s) have executed this Agreement on behalf of the Wholesaler as required by applicable articles, bylaws, resolutions, or ordinances.

By: James L. Scott

Title: SVP, National Markets

Date: May 6, 2016

#### 2. STATE OF MINNESOTA FOR MMCAP

In accordance with Minn. Stat. § 16C.03, subd. 3

By: Sandy Christensen

Title: Pharm Analyst

Date: 5-9-16

#### 3. COMMISSIONER OF ADMINISTRATION

In accordance with Minn. Stat. § 16C.05, subd. 2

By: Heather Christensen

Date: May 9, 2016



## AMENDMENT NO. 20 TO MMCAP CONTRACT NO. MMS15001

**THIS AMENDMENT** is by and between the State of Minnesota, through its Commissioner of Administration, on behalf of the Minnesota Multistate Contracting Alliance for Pharmacy ("MMCAP") and Cardinal Health 110, LLC, Cardinal Health 112, LLC, and Cardinal Health 107, LLC, whose designated business address is 7000 Cardinal Place, Dublin, Ohio 43017 (collectively, "WHOLESALER").

MMCAP has a contract with the Wholesaler identified as MMCAP Contract No. MMS15001 ("Original Contract") to provide the services of a pharmaceutical wholesaler to distribute pharmaceuticals, over the counter products, nutritionals, and vaccines to MMCAP members.

### Amendment

This Amendment will be effective when signed, and continue until the end of the term of the Original Contract.

**Revision 1:** At the point in which Attachment E (E-18) is executed for the **Palm Beach County, Florida** with the Wholesaler, as the selected wholesaler for the State of Florida, Attachment E (E-18) will automatically be incorporated into this Amendment 20 and will be effective as of the date it is fully executed by the parties.

**Except as amended, the terms and conditions of the Original Contract and any previous amendments remain in full force and effect.**

#### 1. Cardinal Health 110, LLC, Cardinal Health 112, LLC, and Cardinal Health 107, LLC.

This certifies that the appropriate person(s) have executed this Agreement on behalf of the Wholesaler as required by applicable articles, bylaws, resolutions, or ordinances.

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

#### 2. STATE OF MINNESOTA FOR MMCAP

In accordance with Minn. Stat. § 16C.03, subd. 3

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

#### 3. COMMISSIONER OF ADMINISTRATION

In accordance with Minn. Stat. § 16C.05, subd. 2

By: \_\_\_\_\_

Date: \_\_\_\_\_



**AMENDMENT 21 TO CONTRACT MMS15001  
WHICH IS THE FIRST AMENDMENT TO ATTACHMENT E E-6  
MEMBER-REQUESTED PARTICIPATION AGREEMENT**

---

This Amendment modifies the Member-requested Participation Agreement (MPA) entered into  
by and among:

**STATE OF GEORGIA (MEMBER);**

**CARDINAL HEALTH 110, LLC, CARDINAL HEALTH 112, LLC AND CARDINAL HEALTH 107,  
LLC (WHOLESALE);**

and

**STATE OF MINNESOTA  
ACTING THROUGH ITS COMMISSIONER OF ADMINISTRATION  
ON BEHALF OF THE MINNESOTA MULTISTATE CONTRACTING ALLIANCE FOR  
PHARMACY (MMCAP).**

**This Amendment modifies the Additional Terms section of the MPA by adding the following:**

Wholesaler certifies that it is not currently engaged in, and agrees for the duration of this MPA not to engage in, a boycott of Israel, as defined in O.C.G.A. 50-5-85.

**1. State of Georgia**

By: Carel Kennedy-Sims Date: 6/16/16

Title: Category Manager

**2. Cardinal Health 110, LLC, Cardinal Health 112, LLC, and Cardinal Health 107, LLC**

By: James L. Scott Date: 6/16/16

Title: SVP, National Markets

**3. State of Minnesota for MMCAP**

In accordance with Minn. Stat. § 16C.03, subd. 3

By: Sandra Christensen Date: 06-20-16

**4. Minnesota Commissioner of Administration**

In accordance with Minn. Stat. § 16C.05, subd. 2

By: Liz Vand Plaat, CPH Date: 6/20/2016



**AMENDMENT NO. 22 TO MMCAP CONTRACT NO. MMS15001**

**THIS AMENDMENT** is by and between the State of Minnesota, through its Commissioner of Administration, on behalf of the Minnesota Multistate Contracting Alliance for Pharmacy ("MMCAP") and Cardinal Health 110, LLC, Cardinal Health 112, LLC, and Cardinal Health 107, LLC, whose designated business address is 7000 Cardinal Place, Dublin, Ohio 43017 (collectively, "WHOLESALER").

MMCAP has a contract with the Wholesaler identified as MMCAP Contract No. MMS15001 ("Original Contract") to provide the services of a pharmaceutical wholesaler to distribute pharmaceuticals, over the counter products, nutritionals, and vaccines to MMCAP members.

**Amendment**

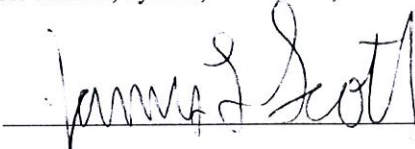
This Amendment will be effective when signed, and continue until the end of the term of the Original Contract.

**Revision 1:** Upon request of the **District of Columbia**, Wholesaler will provide pharmaceutical wholesaler distribution services to the District of Columbia as their selected wholesaler.

**Except as amended, the terms and conditions of the Original Contract and any previous amendments remain in full force and effect.**


**1. Cardinal Health 110, LLC, Cardinal Health 112, LLC, and Cardinal Health 107, LLC.**

This certifies that the appropriate person(s) have executed this Agreement on behalf of the Wholesaler as required by applicable articles, bylaws, resolutions, or ordinances.

By:   
Title: SVP, National Markets  
Date: 6-17-2016


**2. STATE OF MINNESOTA FOR MMCAP**

In accordance with Minn. Stat. § 16C.03, subd. 3

By:   
Title: SPA Coordinator  
Date: 6-17-2016

**3. COMMISSIONER OF ADMINISTRATION**

In accordance with Minn. Stat. § 16C.05, subd. 2

By:   
Date: 6/17/2016

## AMENDMENT NO. 23 TO MMCAP CONTRACT NO. MMS15001

**THIS AMENDMENT** is by and between the State of Minnesota, through its Commissioner of Administration, on behalf of the Minnesota Multistate Contracting Alliance for Pharmacy ("MMCAP") and Cardinal Health 110, LLC, Cardinal Health 112, LLC, and Cardinal Health 107, LLC, whose designated business address is 7000 Cardinal Place, Dublin, Ohio 43017 (collectively, "WHOLESALE").

MMCAP has a contract with the Wholesaler identified as MMCAP Contract No. MMS15001 ("Original Contract") to provide the services of a pharmaceutical wholesaler to distribute pharmaceuticals, over the counter products, nutritionals, and vaccines to MMCAP members.

### Contract Amendment

This Amendment will be effective when signed, and continue until the end of the term of the Original Contract.

Effective when signed the following revisions will be made:

**Revision 1:** Attachment A, 4.6 Management of MMCAP Contract Products, B. Product Additions/Deletions, subsection 1., is replaced in its entirety by the following:

1. Wholesaler will process product adds/deletes/price changes based on documentation received from manufacturers and perform weekly audit of previous week changes, notifying MMCAP of any specific discrepancies in writing to the MMCAP Contracts Box at [MMCAP.Contracts@state.mn.us](mailto:MMCAP.Contracts@state.mn.us). In addition to providing specific discrepancies, Wholesaler will support the product adds/deletes/price changes process through the weekly Contract Change report which lists all changes made within the past week to the MMCAP contract (see Section 4.19, Mandatory Reports).

**Revision 2:** Attachment C Service Fee Discount Matrix, Table 4: Application of Service Fee Matrix, the table is replaced and footnote added by the following:

**Table 4: Application of Service Fee Matrix:**

Application of Service Fee Matrix	Yes	No
MMCAP Contract Products	X	
MMCAP Contract Bulky Products	X	
MMCAP Contract Products Drop Shipped	X	
MMCAP Contract Product for which due to Wholesaler stocking error, must be Drop Shipped to meet the needs of the MMCAP Member	X	
Wholesaler's Generic Source Program	X	
Non-Contract (Generic/Brand)	X	
Non-Contract Bulky Products		X
Apexus Generic Portfolio <sup>1</sup>		X

<sup>1</sup> Service fee discounts will not be applied to the Apexus Generic Portfolio for those MMCAP Members who are eligible.



**AMENDMENT NO. 23 TO MMCAP CONTRACT NO. MMS15001**

**Except as amended, the terms and conditions of the Original Contract and any previous amendments remain in full force and effect.**

**1. Cardinal Health 110, LLC, Cardinal Health 112, LLC, and Cardinal Health 107, LLC.**

This certifies that the appropriate person(s) have executed this Agreement on behalf of the Wholesaler as required by applicable articles, bylaws, resolutions, or ordinances.

By:

James L. Scott

Title:

SVP, National Markets

Date:

July 8, 2016

**2. STATE OF MINNESOTA FOR MMCAP**

In accordance with Minn. Stat. § 16C.03, subd. 3

By:

Debra A.L. Burandt

Title:

SPA Coordinator

Date:

7-21-2016

**3. COMMISSIONER OF ADMINISTRATION**

In accordance with Minn. Stat. § 16C.05, subd. 2

By:

Sara Turnbull, PharmD, BCPS

Date:

7-22-16



**AMENDMENT 24 TO CONTRACT MMS15001  
WHICH IS THE SECOND AMENDMENT TO ATTACHMENT E E-6  
MEMBER-REQUESTED PARTICIPATION AGREEMENT**

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This Amendment modifies the Member-requested Participation Agreement (MPA) entered into  
by and among:

**STATE OF GEORGIA (MEMBER);**

**CARDINAL HEALTH 110, LLC, CARDINAL HEALTH 112, LLC AND CARDINAL HEALTH 107,  
LLC (WHOLESALER);**

and

**STATE OF MINNESOTA  
ACTING THROUGH ITS COMMISSIONER OF ADMINISTRATION  
ON BEHALF OF THE MINNESOTA MULTISTATE CONTRACTING ALLIANCE FOR  
PHARMACY (MMCAP).**

**This Amendment modifies the Additional Terms section of the MPA by adding the following:**

**Term:** This MPA is effective upon final signature, and expires upon the expiration of MMCAP's contract with Vendor (MMS15001) or by any party upon 30 days' written notice to the other parties to this MPA listed below.

**Scope:** State of Georgia, desires to access the MMCAP agreement for wholesaler services with Wholesaler (MMS15001).

**Additional Terms:**

The following terms and conditions apply solely to the performance of the Vendor on behalf the State of Georgia and solely for facilities designated as applicable by the State of Georgia. The additional terms will be enforced by the State of Georgia.

**REVISION OF QUARTERLY PAYMENT AND SALES REPORTING REQUIREMENTS:**

Pursuant to O.C.G.A. Section 50-5-51(10), DOAS has the authority to collect moneys, rebates, or commissions payable to the State that are generated by supply contracts established pursuant to O.C.G.A. Section 50-5-57. Section A of the Member-Requested Participation Agreement, which is incorporated in the original MMCAP agreement with Cardinal Health 107 (MMS15001), contains due dates for both quarterly sales report and administrative fees. The parties desire to amend the reporting requirements in Section A entitled "Quarterly Payment and Sales Reporting Requirements" of the MPA that was effective February 1, 2015, as follows:

Delete the language "The Fees and the Quarterly Sales Report must be received by DOAS on or before the Wholesaler's Payment Due Date as defined in the table below" and replace with the following language:

*"The Quarterly Sales Report must be received by DOAS twenty (20) days after the end of the Fiscal Quarter through submission within the Supplier Portal of Team Georgia Marketplace, and the Fees must be received as a response to an invoice generated by DOAS between the time of receipt of the invoice and forty-five (45) days after the end of the fiscal quarter as defined by the table below:"*





**AMENDMENT 24 TO CONTRACT MMS15001**  
**WHICH IS THE SECOND AMENDMENT TO ATTACHMENT E E-6**  
**MEMBER-REQUESTED PARTICIPATION AGREEMENT**

A. Delete the table referenced in 1 (a), and replace with the following table:

<i><b>DOAS' Fiscal Quarters</b></i>	<i><b>Months</b></i>	<i><b>Supplier's Quarterly Sales Report Due Date</b></i>	<i><b>Supplier's Payment Due Date (In Response to DOAS generated Invoice)</b></i>
<i><b>Quarter 1</b></i>	<i><b>July 1<sup>st</sup> – September 30<sup>th</sup></b></i>	<i><b>October 20<sup>th</sup></b></i>	<i><b>November 15<sup>th</sup></b></i>
<i><b>Quarter 2</b></i>	<i><b>October 1<sup>st</sup> – December 31<sup>st</sup></b></i>	<i><b>January 20<sup>th</sup></b></i>	<i><b>February 15<sup>th</sup></b></i>
<i><b>Quarter 3</b></i>	<i><b>January 1<sup>st</sup> – March 31<sup>st</sup></b></i>	<i><b>April 20<sup>th</sup></b></i>	<i><b>May 15<sup>th</sup></b></i>
<i><b>Quarter 4</b></i>	<i><b>April 1<sup>st</sup> – June 30<sup>th</sup></b></i>	<i><b>July 20<sup>th</sup></b></i>	<i><b>August 15<sup>th</sup></b></i>
<i><b>-----</b></i>	<i><b>-----</b></i>	<i><b>-----</b></i>	<i><b>30 calendar days following the termination of this Statewide Contract for any reason</b></i>

Delete the language “At the end of each state fiscal quarter as defined above, Supplier shall prepare the Quarterly Sales Report. In the event no sales have occurred, the Supplier must complete and submit the Quarterly Sales Report, indicating no sales have occurred. No later than the date identified above as the “Supplier’s Payment Due Date” for each fiscal quarter, Supplier shall remit a payment of fees to DOAS through one of the following methods” and replace with the following language:

*“At the end of each state fiscal quarter as defined above, Supplier shall prepare the Quarterly Sales Report and submit the file through the Supplier Portal of Team Georgia Marketplace, including the Supplier’s most up-to-date Invoice Contact Name (Billing Contact), Supplier Billing Address, and Supplier Billing E-Mail. In the event that no sales have occurred, the Supplier must complete and submit the Quarterly Sales Report, indicating that no sales have occurred, and submit the file through Supplier Portal of Team Georgia Marketplace. No later than the date identified above as the “Supplier’s Payment Due Date” for each fiscal quarter, the Supplier shall remit a payment of fees to DOAS in response to a DOAS generated invoice, through one of the following methods:*

- (1) Electronic Funds Transfer/ EFT (most preferred),*
- (2) Credit card or*
- (3) check (least preferred)*

*For EFT payments (most preferred): DOAS Contract Manager will provide banking information to Awarded Supplier. Supplier shall also submit a copy of the Supplier Quarterly Sales Report via email to the DOAS Contract Manager or their designee.*

*For Credit Card payments: Supplier must contact DOAS Finance Manager at (404) 651-6301 to make payments via Credit Card. Supplier shall also submit a copy of the Supplier Quarterly Sales Report via email to the DOAS Contract Manager or their designee.*



**AMENDMENT 24 TO CONTRACT MMS15001**  
**WHICH IS THE SECOND AMENDMENT TO ATTACHMENT E E-6**  
**MEMBER-REQUESTED PARTICIPATION AGREEMENT**

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*For Check payments (least preferred): Supplier shall remit the check together with the Contract Quarterly Administrative Fee Report (SPD Official Form SPD-CP022) to:*

Department of Administrative Services  
Finance & Administration Division  
200 Piedmont Avenue, S.E.  
Suite 1820, West Tower  
Atlanta, Georgia 30334-9010

*Supplier shall also submit a copy of the Supplier Quarterly Sales Report via email to the DOAS Contract Manager, or their designee.*

*By submission of these reports and corresponding Supplier payments, Supplier is certifying their correctness."*

All other terms remain unchanged.

**1. State of Georgia**

By: Carol Kennedy-Sims  
Title: Category Manager

Date: 11/2/16

**2. Cardinal Health 110, LLC, Cardinal Health 112, LLC, and Cardinal Health 107, LLC**

By: James L. Scott  
Title: SVP, National Markets

Date: 11/16/16

**3. State of Minnesota for MMCAP**

In accordance with Minn. Stat. § 16C.03, subd. 3

By: Heather Christ

Date: Nov. 16, 2016

**4. Minnesota Commissioner of Administration**

In accordance with Minn. Stat. § 16C.05, subd. 2

By: Sara Turnbow, Ph.D., BCPS

Date: 11-17-16



**AMENDMENT NO. 25 TO MMCAP CONTRACT NO. MMS15001**

**THIS AMENDMENT** is by and between the State of Minnesota, through its Commissioner of Administration, on behalf of the Minnesota Multistate Contracting Alliance for Pharmacy ("MMCAP") and Cardinal Health 110, LLC, Cardinal Health 112, LLC, and Cardinal Health 107, LLC, whose designated business address is 7000 Cardinal Place, Dublin, Ohio 43017 (collectively, "WHOLESALER").

MMCAP has a contract with the Wholesaler identified as MMCAP Contract No. MMS15001 ("Original Contract") to provide the services of a pharmaceutical wholesaler to distribute pharmaceuticals, over the counter products, nutritionals, and vaccines to MMCAP members.

**Amendment**

This Amendment will be effective when signed, and continue until the end of the term of the Original Contract.

**Revision 1:** At the point in which Attachment E (E-19) is executed for the **City of New York** with the Wholesaler, as the selected wholesaler for the State of New York, Attachment E (E-19) will automatically be incorporated into the Contract.

**Except as amended, the terms and conditions of the Original Contract and any previous amendments remain in full force and effect.**

**1. Cardinal Health 110, LLC, Cardinal Health 112, LLC, and Cardinal Health 107, LLC.**

This certifies that the appropriate person(s) have executed this Agreement on behalf of the Wholesaler as required by applicable articles, bylaws, resolutions, or ordinances.

By: 

James L. Scott

Title: SVP, National Markets

Date: December 7, 2016

**2. STATE OF MINNESOTA FOR MMCAP**

In accordance with Minn. Stat. § 16C.03, subd. 3

By: 

Title: SPA Coordinator

Date: 12-8-2016

**3. COMMISSIONER OF ADMINISTRATION**

In accordance with Minn. Stat. § 16C.05, subd. 2

By: 

Date: Dec. 8, 2016



## AMENDMENT NO. 26 TO MMCAP CONTRACT NO. MMS15001

**THIS AMENDMENT** is by and between the State of Minnesota, through its Commissioner of Administration, on behalf of the Minnesota Multistate Contracting Alliance for Pharmacy ("MMCAP") and Cardinal Health 110, LLC, Cardinal Health 112, LLC, and Cardinal Health 107, LLC, whose designated business address is 7000 Cardinal Place, Dublin, Ohio 43017 (collectively, "WHOLESALER").

MMCAP has a contract with the Wholesaler identified as MMCAP Contract No. MMS15001 ("Original Contract") to provide the services of a pharmaceutical wholesaler to distribute pharmaceuticals, over the counter products, nutritionals, and vaccines to MMCAP members.

### Contract Amendment

This Amendment will be effective when signed, and continue until the end of the term of the Original Contract.

Effective when signed the following revisions will be made:

**Revision 1:** Article 1.2 Expiration Date of the Original Contract is replaced in its entirety by the following:

#### 1. Term of Contract and Exhibits

1.2 **Expiration date:** October 31, 2019 or until all obligations have been satisfactorily fulfilled, whichever occurs first. The Contract total term is not to exceed five (5) years from the Contract effective date.

**Revision 2:** Article 33 Required Licenses, Permits, and Registration is replaced in its entirety by the following:

#### 33. Required Licenses, Permits, and Registration

WHOLESALER shall have in place prior to the start of this Contract, and must maintain for the life of this Contract, all current licenses, permits and registrations required by state and federal agencies. WHOLESALER must make such documentation available upon request by MMCAP.

**Revision 3:** Attachment A, 4.3 Customer Service, A. Customer Service to MMCAP subsection 2 e., is replaced in its entirety by the following:

e. Data/reporting issues and Shareback fee process:

Brent Focht, Senior Analyst, [brent.focht@cardinalhealth.com](mailto:brent.focht@cardinalhealth.com), 614-757-7849.

**Revision 4:** Attachment A, 4.3 Customer Service, B. Customer Service to MMCAP Participating Facilities, subsection 2 b., is replaced in its entirety by the following:

- b. MMCAP Participating Facilities. Wholesaler will provide an account management Regional Leader for each MMCAP Participating Facility with average volume of \$25,000 per month or more. This individual will serve as a liaison between the MMCAP Participating Facility and Wholesaler, managing the working and strategic relationship to ensure quality of service delivery and customer satisfaction. In managing the relationship, the assigned Regional Leader will utilize various relationship management contact options, including the MMCAP Field Services representatives whenever possible, dependent upon the needs of the MMCAP Participating Facilities. Dedicated Senior Specialists are assigned to support the Regional Leaders and will also have individual account management responsibilities for those MMCAP Participating Facilities

## Amendment 26 to MMCAP Contract MMS15001

with an average volume of less than \$25,000 per month. The Regional Leader will make routine on-site visits to discuss performance issues and solve problems according to the schedule below:

Average Monthly Purchasing Volume	Frequency of Contact with MMCAP Participating Facility	Type of Contact
\$0 - \$5,000	Dialogue with MMCAP Participating facility once every 6 calendar months unless otherwise requested by the MMCAP Participating Facility.	Telephone Call
\$5,001 - \$10,000	Dialogue with MMCAP Participating facility once every 3 calendar months unless otherwise requested by the MMCAP Participating Facility.	Telephone Call
\$10,001 - \$25,000	Dialogue with MMCAP Participating facility once every 30 calendar days unless otherwise requested by the MMCAP Participating Facility.	Telephone Call Onsite visits available upon reasonable request
\$25,001 - and up	1. Customer Business Reviews offered quarterly.  2. Dialogue with MMCAP Participating Facilities once every 30 calendar days or as needed.	1. On-site visits or Telephone Call  2. On-site visit of Telephone Call
State Purchasing Contact	Dialogue offered monthly or as desired by State Purchasing Contact. State contacts are to be included in quarterly Member Customer Business Reviews desired.	On-site visit or telephone call

**Revision 5:** Attachment A, 4.14 Administrative Fee, is replaced in its entirety by the following:

### **4.14 ADMINISTRATIVE FEE**

In consideration for services provided by MMCAP, the Wholesaler will pay an administrative fee on all purchases (less any credits and returns) made through Wholesaler and the Wholesaler's Specialty Products Distribution division, as specified in Attachment B. Administrative fees will not be paid on 340B, PHS, or ADAP sales or prime vendor DSH sales. The administrative fee must be paid as soon as is reasonable after the end of each month, but no later than 30 calendar days after the end of the month. Payments due MMCAP are to be remitted to the following address:

Financial Management & Reporting – MMCAP  
50 Sherburne Avenue, Suite 309  
St. Paul, MN 55155

The Wholesaler will not pay MMCAP Member state specific administrative or procurement fees that are not considered "pass through". "Pass Through" fees are included in state specific terms and conditions requiring the Wholesaler to increase Service Fees, and then passing them through in the form of a check to the designated State entity.



## Amendment 26 to MMCAP Contract MMS15001

MMCAP reserves the right to collect interest on payments 30 calendar days past due at a rate of 18% annually, consistent with Minn. Stat. § 16A.124.

Wholesaler will submit monthly administrative fee data for all sales made through Wholesaler and the Wholesaler's Specialty Products Distribution division. All required administrative fee data files must be sent to: [Mn.MMCAP@state.mn.us](mailto:Mn.MMCAP@state.mn.us) at the end of each month, but no later than 30 days after the end of the month. Failure to comply with this provision may constitute breach of this Contract.

**Revision 6:** Attachment A, 4.16 Other Value-Add Services, Section A. Wholesaler's Generic Drug Program, subsection g., is replaced in its entirety by the following:

- h. Wholesaler will be required to pay a monthly administrative fee of 3% to MMCAP on all sales of Wholesaler's Generic Drug Program products sold to MMCAP Participating Facilities, in addition to any distributor administrative fee payments. Payments due MMCAP are to be remitted to the following address:

Financial Management & Reporting – MMCAP  
50 Sherburne Avenue, Suite 309  
St. Paul, MN 55155

**Revision 7:** Attachment A, 4.18 Shareback Credits, this section is replaced in its entirety by the following:

### 4.18 Shareback Credits

Wholesaler will manage, at no additional cost or fee withheld to MMCAP or MMCAP Participating Facilities, the MMCAP annual shareback credit according to the schedule below:

1. MMCAP will provide Wholesaler a list of MMCAP Participating Facilities receiving a credit, the credit amount for each facility, and a check for the total amount of all credits to be provided.
2. Wholesaler is required to apply the credit to all listed MMCAP Participating Facilities within fifteen (15) business days of the receipt of the funds and the list of facilities receiving credit has been received from MMCAP.
3. Within 30 business days of the receipt of the funds and the list of facilities receiving credit, Wholesaler is required to provide to MMCAP an Excel Spreadsheet detailing the credit memo information. This Excel listing must include the following fields: distribution center, account number, facility name, facility address, facility city, facility state, DEA, HIN, date of credit memo, credit memo number, and credit memo amount. In addition to supplying the credit memo detail to MMCAP, the Wholesaler will also provide a listing of all accounts that are inactive that cannot have a credit memo issued.
4. Within 60 days of the date credits were applied and the inactive accounts are communicated as stated in process step #3, MMCAP must provide W-9 documents to the Wholesaler for any facilities found on the "Inactive Account" listing provide that expect to receive their credits in the form of a check. All other outstanding credits will be refunded to MMCAP in the form of a check at the end of the 60 day waiting period.
5. The Wholesaler will work with MMCAP to identify all MMCAP Participating Facilities in an effort to issue all credits before refunding dollars back to MMCAP. Prior to any funds returned to MMCAP, written approval must be received from MMCAP.
6. Within 15 business days of written approval for funds to be returned, Wholesaler is required to issue a refund to MMCAP of the remaining dollars for which it was unable to issue credit.
7. Upon initiating the refund to MMCAP, Wholesaler will provide a copy of the original Shareback Credit spreadsheet detailing the credit information (received from

## Amendment 26 to MMCAP Contract MMS15001

MMCAP), the reason for non-application of funds, and the dollar amount of the funds being returned to MMCAP.

8. MMCAP Participating Facilities are not allowed to convert a credit provided through Shareback to a cash refund. If an MMCAP Participating Facility requests a check be issued to close out an unapplied credit memo, the Wholesaler is required to:
  1. Determine if said credit memo is due to the application of MMCAP Shareback;
  2. If credit memo is due to the application of MMCAP Shareback, advise the MMCAP Participating Facility that the credit memo is not eligible to be closed out via a check;
  3. Direct the MMCAP Participating Facility to MMCAP for any additional questions about the ineligibility of the credit memo to be closed out via a check.

Should MMCAP change its process for the Shareback Credit to a more frequent interval (semi-annual, quarterly), any time during the term of this Contract, the Wholesaler will continue to manage this process as a service inclusion, with no additional cost or fee withhold to MMCAP or MMCAP Participating Facilities. In providing documentation to the MMCAP Participating Facilities, MMCAP requires that the description on the credit invoice reflect "MMCAP Shareback". A description that refers to the Shareback credit as a "rebate" is not acceptable.

**Revision 8:** Effective as of November 1, 2017, Attachment C, Table 1: Service Fee Discount Pricing Matrix, is replaced with the following:

Table 1: Service Fee Discount Pricing Matrix							
	State Monthly Purchase Volume						
Facility Payment Terms	\$1 to \$500,000	\$500,001 to \$1,000,000	\$1,000,001 to \$2,000,000	\$2,000,001 to \$5,000,000	\$5,000,001 to \$8,000,000	\$8,000,000 to \$12,500,000	\$12,500,001 and Above
30 Day Pre-Pay	-4.89%	-5.27%	-5.76%	-6.06%	-6.27%	-6.52%	-6.74%
15 Day Pre-Pay	-4.65%	-5.03%	-5.52%	-5.82%	-6.03%	-6.28%	-6.50%
7 Day Pre-Pay	-4.52%	-4.90%	-5.39%	-5.69%	-5.90%	-6.15%	-6.37%
Next Day Pay	-4.39%	-4.77%	-5.26%	-5.56%	-5.77%	-6.02%	-6.24%
7 Day Net	-4.30%	-4.68%	-5.17%	-5.47%	-5.68%	-5.93%	-6.15%
15 Day Net	-4.17%	-4.55%	-5.04%	-5.34%	-5.55%	-5.80%	-6.02%
30 Day Net	-3.93%	-4.31%	-4.80%	-5.10%	-5.31%	-5.56%	-5.78%
45 Day Net	-3.53%	-3.91%	-4.40%	-4.70%	-4.91%	-5.16%	-5.38%
60 Day Net	-2.92%	-3.30%	-3.79%	-4.09%	-4.30%	-4.55%	-4.77%
90 Day Net	-2.11%	-2.69%	-2.98%	-3.28%	-3.49%	-3.74%	-3.96%



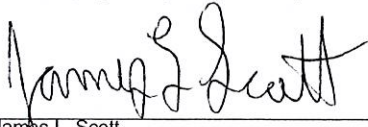
Amendment 26 to MMCAP Contract MMS15001

**Revision 9:** Effective as of November 1, 2017, Attachment C, Table 3: Service Fee Discount Exceptions, is removed in its entirety; direct acting antivirals for Hepatitis-C will be eligible for the same service fee discount as presented in Table 1: Service Fee Discounts.

Except as amended, the terms and conditions of the Original Contract and any previous amendments remain in full force and effect.


**1. Cardinal Health 110, LLC, Cardinal Health 112, LLC, and Cardinal Health 107, LLC.**

This certifies that the appropriate person(s) have executed this Agreement on behalf of the Wholesaler as required by applicable articles, bylaws, resolutions, or ordinances.

By:   
James L. Scott  
Title: SVP, National Markets  
Date: March 28, 2017


**2. STATE OF MINNESOTA FOR MMCAP**

In accordance with Minn. Stat. § 16C.03, subd. 3

By:   
Title: \_\_\_\_\_  
Date: March 28, 2017

**3. COMMISSIONER OF ADMINISTRATION**

In accordance with Minn. Stat. § 16C.05, subd. 2

By:   
Date: 3-28-17

## AMENDMENT NO. 27 TO MMCAP CONTRACT NO. MMS15001

**THIS AMENDMENT** is by and between the State of Minnesota, through its Commissioner of Administration, on behalf of the Minnesota Multistate Contracting Alliance for Pharmacy (“MMCAP”) and Cardinal Health 110, LLC, Cardinal Health 112, LLC, and Cardinal Health 107, LLC, whose designated business address is 7000 Cardinal Place, Dublin, Ohio 43017 (collectively, “WHOLESALER”).

MMCAP has a contract with the Wholesaler identified as MMCAP Contract No. MMS15001 (“Original Contract”) to provide the services of a pharmaceutical wholesaler to distribute pharmaceuticals, over the counter products, nutritionals, and vaccines to MMCAP members.

### Amendment

This Amendment will be effective when signed, and continue until the end of the term of the Original Contract.

Effective when signed the following revisions will be made:

**Revision 1:** Upon request of the **District of Columbia** (Member), Wholesaler has provided pharmaceutical wholesaler distribution services to the Member as their selected wholesaler. Due to procurement fees required by a vendor agreement between the Member and Ariba Inc. (Ariba), procurement fees have already been accrued and invoiced by Ariba to the Wholesaler. For invoices generated between July 2016 and March 6, 2017, Member has received the full value of the Service Fees Discount without any of the procurement fees being collected by Wholesaler. MMCAP’s policies and Contract MMS15001 require the Wholesaler to “pass through” any MMCAP Member specific administrative or procurement fees the Service Fees Discount is adjusted to include the Member’s required procurement fees.

For this Member, the required adjustment will include a “Catch Up” provision. In order to provide Member with the full benefit of the procurement fees and Wholesaler being able to comply with its contract with MMCAP, a catch-up provision adjustment will be in place for from when the amendment is signed through April 30, 2017.

District of Columbia Pricing Matrix Catch Up Provision (Monthly Purchase Volume)							
Facility Payment Terms	\$1 to \$500,000	\$500,001 to \$1,000,000	\$1,000,001 to \$2,000,000	\$2,000,001 to \$5,000,000	\$5,000,001 to \$8,000,000	\$8,000,000 to \$12,500,000	\$12,500,001 and Above
30 Day Pre-Pay	-2.94%	-3.32%	-3.81%	-4.11%	-4.32%	-4.57%	-4.79%
15 Day Pre-Pay	-2.70%	-3.08%	-3.57%	-3.87%	-4.08%	-4.33%	-4.55%
7 Day Pre-Pay	-2.57%	-2.95%	-3.44%	-3.74%	-3.95%	-4.20%	-4.42%
Next Day Pay	-2.44%	-2.82%	-3.31%	-3.61%	-3.82%	-4.07%	-4.29%
7 Day Net	-2.35%	-2.73%	-3.22%	-3.52%	-3.73%	-3.98%	-4.20%
15 Day Net	-2.22%	-2.60%	-3.09%	-3.39%	-3.60%	-3.85%	-4.07%
30 Day Net	-1.98%	-2.36%	-2.85%	-3.15%	-3.36%	-3.61%	-3.83%
45 Day Net	-1.58%	-1.96%	-2.45%	-2.75%	-2.96%	-3.21%	-3.43%
60 Day Net	-1.17%	-1.55%	-2.04%	-2.34%	-2.55%	-2.80%	-3.02%
90 Day Net	-0.36%	-0.94%	-1.23%	-1.53%	-1.74%	-1.99%	-2.21%



Amendment 27 to MMCAP Contract MMS15001

The catch up adjustment will be removed as of May 1, 2017, and the Service Fees Discount assigned to Member will be adjusted to:

**Member Pricing Matrix dated May 1, 2017**

<b>District of Columbia Pricing Matrix (Monthly Purchase Volume) Effective May 1, 2017</b>							
<b>Facility Payment Terms</b>	<b>\$1 to \$500,000</b>	<b>\$500,001 to \$1,000,000</b>	<b>\$1,000,001 to \$2,000,000</b>	<b>\$2,000,001 to \$5,000,000</b>	<b>\$5,000,001 to \$8,000,000</b>	<b>\$8,000,000 to \$12,500,000</b>	<b>\$12,500,001 and Above</b>
30 Day Pre-Pay	-4.19%	-4.57%	-5.06%	-5.36%	-5.57%	-5.82%	-6.04%
15 Day Pre-Pay	-3.95%	-4.33%	-4.82%	-5.12%	-5.33%	-5.58%	-5.80%
7 Day Pre-Pay	-3.82%	-4.20%	-4.69%	-4.99%	-5.20%	-5.45%	-5.67%
Next Day Pay	-3.69%	-4.07%	-4.56%	-4.86%	-5.07%	-5.32%	-5.54%
7 Day Net	-3.60%	-3.98%	-4.47%	-4.77%	-4.98%	-5.23%	-5.45%
15 Day Net	-3.47%	-3.85%	-4.34%	-4.64%	-4.85%	-5.10%	-5.32%
30 Day Net	-3.23%	-3.61%	-4.10%	-4.40%	-4.61%	-4.86%	-5.08%
45 Day Net	-2.83%	-3.21%	-3.70%	-4.00%	-4.21%	-4.46%	-4.68%
60 Day Net	-2.42%	-2.80%	-3.29%	-3.59%	-3.80%	-4.05%	-4.27%
90 Day Net	-1.61%	-2.19%	-2.48%	-2.78%	-2.99%	-3.24%	-3.46%

As invoices are received from Ariba, the Wholesaler will pay the invoices, validating transactional volumes in the Ariba system. If in the event that the Service Fees Discount has been adjusted too much for the Ariba fees invoiced for the subscription year, the Wholesaler will true-up the set aside created by the Service Fees Discount adjustment and credit back to each of the facilities controlled by Member accessing MMCAP through the Member's use of Contract MMS15001 its share of the remaining set aside.

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Amendment 27 to MMCAP Contract MMS15001

Except as amended, the terms and conditions of the Original Contract and any previous amendments remain in full force and effect.

**1. Cardinal Health 110, LLC, Cardinal Health 112, LLC, and Cardinal Health 107, LLC.**

This certifies that the appropriate person(s) have executed this Agreement on behalf of the Wholesaler as required by applicable articles, bylaws, resolutions, or ordinances.

By: James L. Scott  
James L. Scott

Title: SVP, National Markets

Date: March 3, 2017

**2. STATE OF MINNESOTA FOR MMCAP**

In accordance with Minn. Stat. § 16C.03, subd. 3

By: Heather Chubb

Title: \_\_\_\_\_

Date: March 3, 2017

**3. COMMISSIONER OF ADMINISTRATION**

In accordance with Minn. Stat. § 16C.05, subd. 2

By: Sara Turnbull, PharmD, BCPS

Date: 3-3-17

## AMENDMENT NO. 28 TO MMCAP CONTRACT NO. MMS15001

**THIS AMENDMENT** is by and between the State of Minnesota, through its Commissioner of Administration, on behalf of the Minnesota Multistate Contracting Alliance for Pharmacy (“MMCAP”) and Cardinal Health 110, LLC, Cardinal Health 112, LLC, and Cardinal Health 107, LLC, whose designated business address is 7000 Cardinal Place, Dublin, Ohio 43017 (collectively, “WHOLESALER”).

MMCAP has a contract with the Wholesaler identified as MMCAP Contract No. MMS15001 (“Original Contract”) to provide the services of a pharmaceutical wholesaler to distribute pharmaceuticals, over the counter products, nutritionals, and vaccines to MMCAP members.

### Contract Amendment

This Amendment will be effective when signed, and continue until the end of the term of the Original Contract.

Effective when signed the following revisions will be made:

**Revision 1:** Amendment 6, Revision 10 is replaced in its entirety by the following:

Upon request of the City of Los Angeles and other California non-state agencies, on their own authority, opting to utilize MMCAP as their pharmaceutical group purchasing organization, Wholesaler will provide pharmaceutical wholesaler distribution services to City of Los Angeles and other California non-state agencies as their selected wholesaler.

**Revision 2:** Attachment C of MMCAP Contract Number MMS15001 is amended to add the following payment term option:

Pre-paid Draw:

DSO Goal	Base Draw Due	Cover Spend Month	Terms Description
-23	May 22nd	June	30 Day Pre-pay
-8	Jun 7th	June	15 Day Pre-pay
0	Jun 15th	June	7 Day Pre-pay

SAMPLE GRID

**-23 DSO (Draw).** Not later than the 22nd day (or the last business day prior to the 22nd day, if the 22nd day falls on a Saturday, Sunday or holiday) of the month preceding the first calendar month in which the MMCAP Participating Facility begins purchasing Merchandise from Vendor and continuing on the 22nd day (or the last business day prior to the 22<sup>nd</sup> day, if the 22nd day falls on a Saturday, Sunday or holiday) of each month thereafter, the MMCAP Participating Facility must make a prepayment to Vendor for Merchandise to be purchased during the following month in an amount equal to the good faith estimate of the MMCAP Participating Facility’s purchases of Merchandise during such following month, which estimate will not be less than the greater of (i) the MMCAP Participating Facility ‘s average aggregate monthly purchases of Merchandise for the three (3) months preceding the month the payment is due or (ii) the MMCAP Participating Facility ‘s aggregate monthly purchases of Merchandise during the month

## Amendment 28 to MMCAP Contract MMS15001

immediately preceding the month the payment is due. Purchases of Merchandise during each month will be charged against the prepayment made for that month. On the first business day of each month, Vendor will reconcile the MMCAP Participating Facility's total Merchandise purchases during the preceding month against the MMCAP Participating Facility's prepayment made for that month and: (a) if the MMCAP Participating Facility's prepayment exceeded the MMCAP Participating Facility's total Merchandise purchases during that month, then Vendor will notify the MMCAP Participating Facility of the amount of such excess no later than the fifth (5<sup>th</sup>) business day of the following month, and such amount will be applied against the MMCAP Participating Facility's next prepayment due under this section; and (b) if the MMCAP Participating Facility's total Merchandise purchases exceeded the MMCAP Participating Facility's prepayment, then Vendor will promptly notify the MMCAP Participating Facility's of the amount of such excess, and the MMCAP Participating Facility's must pay Vendor such amount not later than the tenth (10<sup>th</sup>) business day following receipt of such notice.

**-8 DSO (Draw).** Not later than the 7th day (or the last business day prior to the 7th day, if the 7th day falls on a Saturday, Sunday or holiday) of the first calendar month in which the MMCAP Participating Facility begins purchasing Merchandise from Vendor and continuing on the 7th day (or the last business day prior to the 7th day, if the 7th day falls on a Saturday, Sunday or holiday) of each month thereafter, the MMCAP Participating Facility must make a prepayment to Vendor for Merchandise to be purchased during the present month in an amount equal to the good faith estimate of the MMCAP Participating Facility's purchases of Merchandise during such-month, which estimate will not be less than the greater of (i) the MMCAP Participating Facility's average aggregate monthly purchases of Merchandise for the three (3) months preceding the month the payment is due or (ii) the MMCAP Participating Facility's aggregate monthly purchases of Merchandise during the month immediately preceding the month the payment is due. Purchases of Merchandise during each month will be charged against the prepayment made for that month. On the first business day of each month, Vendor will reconcile the MMCAP Participating Facility's total Merchandise purchases during the preceding month against the MMCAP Participating Facility's prepayment made for that month and: (a) if the MMCAP Participating Facility's prepayment exceeded the MMCAP Participating Facility's total Merchandise purchases during that month, then Vendor will notify the MMCAP Participating Facility of the amount of such excess no later than the fifth (5<sup>th</sup>) business day of the following month, and such amount will be applied against the MMCAP Participating Facility's next prepayment due under this section; and (b) if the MMCAP Participating Facility's total Merchandise purchases exceeded the MMCAP Participating Facility's prepayment, then Vendor will promptly notify the MMCAP Participating Facility of the amount of such excess, and the MMCAP Participating Facility's must pay Vendor such amount not later than the tenth (10<sup>th</sup>) business day following receipt of such notice.

**0 DSO (Draw).** Not later than the 15th day (or the last business day prior to the 15th day, if the 15th day falls on a Saturday, Sunday or holiday) of the first calendar month in which the MMCAP Participating Facility begins purchasing Merchandise from Vendor and continuing on the 15th day (or the last business day prior to the 15th day, if the 15th day falls on a Saturday, Sunday or holiday) of each month thereafter, the MMCAP Participating Facility must make a prepayment to Vendor for Merchandise to be purchased during the present month in an amount equal to the good faith estimate of the MMCAP Participating Facility's purchases of Merchandise during such-month, which estimate will not be less than the greater of (i) the MMCAP Participating Facility's average aggregate monthly purchases of Merchandise for the three (3) months preceding the month the payment is due or (ii) the MMCAP Participating Facility's aggregate monthly purchases of Merchandise during the month immediately preceding the month the payment is due. Purchases of Merchandise during each month will be charged against the prepayment made for that

Amendment 28 to MMCAP Contract MMS15001

month. On the first business day of each month, Vendor will reconcile the MMCAP Participating Facility's total Merchandise purchases during the preceding month against the MMCAP Participating Facility's prepayment made for that month and: (a) if the MMCAP Participating Facility's prepayment exceeded the MMCAP Participating Facility's total Merchandise purchases during that month, then Vendor will notify the MMCAP Participating Facility of the amount of such excess no later than the fifth (5<sup>th</sup>) business day of the following month, and such amount will be applied against the MMCAP Participating Facility's next prepayment due under this section; and (b) if the MMCAP Participating Facility's total Merchandise purchases exceeded the MMCAP Participating Facility's prepayment, then Vendor will promptly notify the MMCAP Participating Facility of the amount of such excess, and the MMCAP Participating Facility must pay Vendor such amount not later than the tenth (10<sup>th</sup>) business day following receipt of such notice.

**Except as amended, the terms and conditions of the Original Contract and any previous amendments remain in full force and effect.**

**1. Cardinal Health 110, LLC, Cardinal Health 112, LLC, and Cardinal Health 107, LLC.**

This certifies that the appropriate person(s) have executed this Agreement on behalf of the Wholesaler as required by applicable articles, bylaws, resolutions, or ordinances.

By: James L. Scott  
James L. Scott  
Title: SVP, National Markets  
Date: May 11, 2017

**2. STATE OF MINNESOTA FOR MMCAP**

In accordance with Minn. Stat. § 16C.03, subd. 3

By: Debra A. L. Burandt  
Title: SPA Coordinator  
Date: 5-12-2017

**3. COMMISSIONER OF ADMINISTRATION**

In accordance with Minn. Stat. § 16C.05, subd. 2

By: Heather Christ  
Date: May 12, 2017

Cardinal Health 110,112,  
107 LLC  
Contract MMS15001

Amendment 29  
is not posted for  
viewing



## AMENDMENT NO. 30 TO MMCAP CONTRACT NO. MMS15001

THIS AMENDMENT is by and between the State of Minnesota acting through its commissioner of Administration ("State") on behalf of the Minnesota Multistate Contracting Alliance for Pharmacy ("MMCAP") and Cardinal Health 110, LLC, Cardinal Health 112, LLC and Cardinal Health 107, LLC, whose designated business address is 7000 Cardinal Place, Dublin, OH 43017 ("Vendor").

MMCAP has a contract with the Wholesaler identified as MMCAP Contract No. MMS15001 ("Original Contract") to provide the services of a pharmaceutical wholesaler to distribute pharmaceuticals, over the counter products, nutritionals, and vaccines to MMCAP members. The State of Minnesota recently enacted legislation requiring Israel Anti-discrimination Language in all contracts valued over \$50,000. MMCAP and the Vendor are willing to amend the Original Contract as stated below.

### Contract Amendment

(DLB)

This Amendment will be effective when signed, and continue until the end of the term of the Original Contract.

Effective when signed the following revisions will be made:

**Revision 1:** Attachment E – MPA, to be replaced in its entirety with the following:

Each MMCAP Member's Member-requested Participation Agreement (MPA), shall be, to the extent applicable, attached and incorporated as an Exhibit into this Attachment by amendment.

Any Member-required fee that is added to this Contract pricing will always be applied to the most current Service Fee Discount Matrix, and applicable adjustment for MMCAP aggregate volume or other allowable adjustments specified within Attachment C, regardless of the State Pricing Matrix indicated in the Member's specific MPA incorporated as an Exhibit into Attachment E by amendment or other document.

**Revision 2:** Effective when fully signed, the following new contract article will be added to the Original Contract:

#### 37 Certification of Nondiscrimination (In accordance with Minn. Stat. § 16C.053)

Vendor certifies it does not engage in and has no present plans to engage in discrimination against Israel, or against persons or entities doing business in Israel, when making decisions related to the operation of the vendor's business. For purposes of this article, "discrimination" includes but is not limited to engaging in refusals to deal, terminating business activities, or other actions that are intended to limit commercial relations with Israel, or persons or entities doing business in Israel, when such actions are taken in a manner that in any way discriminates on the basis of nationality or national origin and is not based on a valid business reason.

Except as amended, the terms and conditions of the Original Contract and any previous amendments remain in full force and effect.

#### 1. CARDINAL HEALTH 110, LLC, CARDINAL HEALTH 112, LLC AND CARDINAL HEALTH 107, LLC

The Vendor certifies that the appropriate person(s) have executed this Agreement on behalf of the Vendor as required by applicable articles, bylaws, resolutions, or ordinances.

By: [Signature]

Title: SVP National Markets

Date: November 2, 2017

By: [Signature]

Title: SVP, National Markets

Date: November 2, 2017

#### 2. STATE OF MINNESOTA FOR MMCAP

In accordance with Minn. Stat. § 16C.03, subd. 3

By: [Signature]

Title: SDA-C

Date: 11/3/2017

#### 3. COMMISSIONER OF ADMINISTRATION

In accordance with Minn. Stat. § 16C.05, subd. 2

By: [Signature]

Title: Pharmacist Sr.

Date: 11-3-17

## AMENDMENT NO. 31 TO MMCAP CONTRACT NO. MMS15001

THIS AMENDMENT is by and between the State of Minnesota, through its Commissioner of Administration, on behalf of the Minnesota Multistate Contracting Alliance for Pharmacy ("MMCAP") and Cardinal Health 110, LLC, Cardinal Health 112, LLC, and Cardinal Health 107, LLC, whose designated business address is 7000 Cardinal Place, Dublin, Ohio 43017 (collectively, "WHOLESALER").

MMCAP has a contract with the Wholesaler identified as MMCAP Contract No. MMS15001 ("Original Contract") to provide the services of a pharmaceutical wholesaler to distribute pharmaceuticals, over the counter products, nutritionals, and vaccines to MMCAP members.

### Contract Amendment

(DALB)

This Amendment will be effective when signed, and continue until the end of the term of the Original Contract.

Effective when signed the following revision will be made:

Upon request of Oakland County, Michigan, on their own authority, opting to utilize MMCAP as their pharmaceutical group purchasing organization, Wholesaler will provide pharmaceutical wholesaler distribution services to Oakland County, Michigan as their selected wholesaler.

Except as herein amended, the provisions of the Original Contract between the parties hereto are expressly reaffirmed and remain in full force and effect.

#### 1. CARDINAL HEALTH 110, LLC, CARDINAL HEALTH 112, LLC AND CARDINAL HEALTH 107, LLC

The Vendor certifies that the appropriate person(s) have executed this Agreement on behalf of the Vendor as required by applicable articles, bylaws, resolutions, or ordinances.

By: James L. Scott James L. Scott

Title: SVP, National Markets

Date: 1/25/18

#### 2. STATE OF MINNESOTA FOR MMCAP

In accordance with Minn. Stat. § 16C.03, subd. 3

By: [Signature]

Title: SPA-C

Date: 1/26/2018

#### 3. COMMISSIONER OF ADMINISTRATION

In accordance with Minn. Stat. § 16C.05, subd. 2

By: Sara Turnbull, PharmD BCPS

Title: Pharmacist Sr.

Date: 1-26-18



**AMENDMENT NO. 32 TO MMCAP CONTRACT NO. MMS15001**

**THIS AMENDMENT** is by and between the State of Minnesota, through its Commissioner of Administration, on behalf of the Minnesota Multistate Contracting Alliance for Pharmacy ("MMCAP") and Cardinal Health 110, LLC, Cardinal Health 112, LLC, and Cardinal Health 107, LLC, whose designated business address is 7000 Cardinal Place, Dublin, Ohio 43017 (collectively, "WHOLESALER").

MMCAP has a contract with the Wholesaler identified as MMCAP Contract No. MMS15001 ("Original Contract") to provide the services of a pharmaceutical wholesaler to distribute pharmaceuticals, over the counter products, nutritionals, and vaccines to MMCAP members.

**Amendment  
DALB**

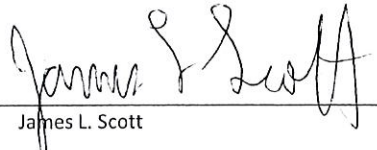
This Amendment will be effective when signed, and continue until the end of the term of the Original Contract.

**Revision 1:** At the point in which Attachment E (E-22) is executed for the Commonwealth of Virginia with the Wholesaler, Attachment E (E-22) will automatically be incorporated into the Contract.

**Except as amended, the terms and conditions of the Original Contract and any previous amendments remain in full force and effect.**

**1. Cardinal Health 110, LLC, Cardinal Health 112, LLC, and Cardinal Health 107, LLC.**

This certifies that the appropriate person(s) have executed this Agreement on behalf of the Wholesaler as required by applicable articles, bylaws, resolutions, or ordinances.

By:   
James L. Scott

Title: SVP, National Markets

Date: 9/6/18

**2. STATE OF MINNESOTA FOR MMCAP**

In accordance with Minn. Stat. § 16C.03, subd. 3

By: 

Title: SPA Coordinator

Date: 9-6-2018

**3. COMMISSIONER OF ADMINISTRATION**

In accordance with Minn. Stat. § 16C.05, subd. 2

By: 

Date: 9-6-18

## AMENDMENT NO. 33 TO MMCAP CONTRACT NO. MMS15001

**THIS AMENDMENT** is by and between the State of Minnesota, through its Commissioner of Administration, on behalf of the Minnesota Multistate Contracting Alliance for Pharmacy ("MMCAP") and Cardinal Health 110, LLC, Cardinal Health 112, LLC, and Cardinal Health 107, LLC, whose designated business address is 7000 Cardinal Place, Dublin, Ohio 43017 (collectively, "WHOLESALER").

MMCAP has a contract with the Wholesaler identified as MMCAP Contract No. MMS15001 ("Original Contract") to provide the services of a pharmaceutical wholesaler to distribute pharmaceuticals, over the counter products, nutritionals, and vaccines to MMCAP members.

### Contract Amendment DALB

This Amendment will be effective when signed, and continue until the end of the term of the Original Contract.


Effective when signed the following revisions will be made:

**Revision 1:** Upon request of State of Tennessee, and an approved exception by MMCAP, Wholesaler will provide pharmaceutical wholesaler distribution services to the State of Tennessee Department of Corrections and State of Tennessee Department of Mental Health as their selected wholesaler in accordance with the Contract as of February 1, 2019. Transition activities as specified in the Contract will commence as to meet the February 1, 2019 effective date. At the point at which Attachment E (E-23) is fully executed for the State of Tennessee on behalf of the State of Tennessee Department of Corrections and State of Tennessee Department of Mental Health, that Attachment E (E-23) will be attached and incorporated into the Contract.

Except as amended, the terms and conditions of the Original Contract and any previous amendments remain in full force and effect.

#### 1. Cardinal Health 110, LLC, Cardinal Health 112, LLC, and Cardinal Health 107, LLC.

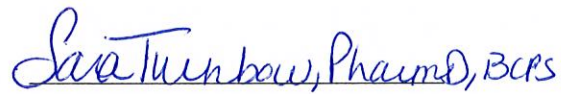
This certifies that the appropriate person(s) have executed this Agreement on behalf of the Wholesaler as required by applicable articles, bylaws, resolutions, or ordinances.

By:   
James L. Scott  
Title: SVP, National Markets

Date: 10/31/18

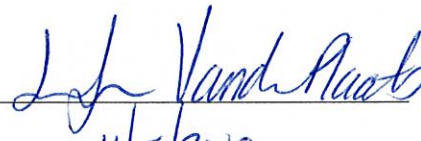
#### 2. STATE OF MINNESOTA FOR MMCAP

In accordance with Minn. Stat. § 16C.03, subd. 3

By:   
Title: Pharmacist Sr.  
Date: 11-2-18

#### 3. COMMISSIONER OF ADMINISTRATION

In accordance with Minn. Stat. § 16C.05, subd. 2

By:   
Date: 11/5/2018

Cardinal Health 110,  
LLC Cardinal Health 112  
LLC, Cardinal Health  
107 LLC

MMS15001

Amendments

34-35

Not posted for viewing

**AMENDMENT NO. 36 TO MMCAP INFUSE CONTRACT NO. MM15001**

THIS AMENDMENT NO. 36 ("Amendment") is entered into the date all required signatures are obtained for this document, ("Effective Date") by and between the State of Minnesota acting through its Commissioner of Administration ("Minnesota") on behalf of the MMCAP Infuse ("MMCAP Infuse") and Cardinal Health 110, LLC, Cardinal Health 112, LLC, and Cardinal Health 107, with a designated business address of 7000 Cardinal Place, Dublin, Ohio 43017 (collectively "Wholesaler").

**RECITALS**

WHEREAS, MMCAP Infuse and Wholesaler entered into MMSMMS15001 on November 1, 2014 ("Original Contract");

WHEREAS, MMCAP Infuse and Wholesaler amended certain terms and conditions of the Original Contract by the way of 35 previous amendments; Original Contract the collective previous amendments will be referred to as "Agreement";

WHEREAS, MMCAP Infuse and Wholesaler have agreed to certain changes in the terms and conditions set forth in the Agreement and have agreed to amend the Agreement to reflect said changes;

WHEREAS, besides the terms and conditions of the Agreement amended in this Amendment, the Agreement remains in full force and effect; and

NOW, THEREFORE, the parties acknowledge and hereby agree that the Agreement shall be amended as follows:

**Capitalized Terms; Definitions; Conditions.** The Agreement and Amendment shall be read together as one document. Any capitalized terms used in Amendment that are defined in the Agreement will have the same meaning(s) when used herein, unless the context clearly requires otherwise. To the extent there shall exist a conflict between the Agreement and this Amendment, the terms of this Amendment will control. Unless otherwise clearly altered, modified, deleted, or amended otherwise, the terms of the Agreement will continue in their entirety and govern the contractual relationship between Wholesaler and MMCAP Infuse.

**Clause Modifications**

**Revision 1:** On the Effective Date, all references to the Expiration Date of the Agreement will be deleted in its entirety and replaced with:

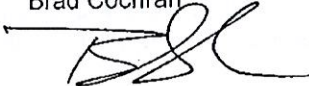
Expiration Date: January 31, 2020; MMCAP Infuse may immediately terminate the Agreement upon written notice to Wholesaler, provided MMCAP Infuse and Wholesaler have fully executed a new master agreement.

[Intentionally left blank]


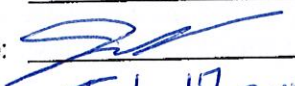
Except as herein amended, the provisions of the Agreement between the parties are hereby expressly reaffirmed and remain in full force and effect.

**WHOLESALE: Cardinal Health 110, LLC,  
Cardinal Health 112, LLC, and Cardinal Health 107, LLC**

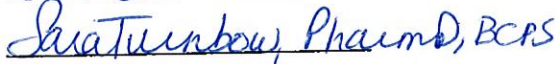
The Vendor certified that the appropriate person(s) have executed this Amendment on behalf of the Vendor as required and by applicable articles, bylaws, resolutions, or ordinances.

Name: Brad Cochran  
Signature:   
Title: SVP, National Markets  
Date: July 17, 2017

**STATE OF MINNESOTA FOR MMCAP INFUSE**  
In accordance with Minn. Stat. 16C.03, Subd.3

Name:   
Signature:   
Date: July 17, 2019

**COMMISSIONER OF ADMINISTRATION**  
In accordance with Minn. Stat. 16C, Subd. 2

Name: Sara Turnbow  
Signature:   
Date: 7-17-19

[Signature Page]