

**AMENDMENT NO. 5 TO AGREEMENT
BETWEEN THE COUNTY OF SAN MATEO AND
S/T HEALTH GROUP CONSULTING, INC.**

THIS AMENDMENT TO THE AGREEMENT, entered into this ____ day of _____, 2019, is by and between the COUNTY OF SAN MATEO, hereinafter called "County," and S/T Health Group Consulting, Inc., hereinafter called "Contractor";

W I T N E S S E T H:

WHEREAS, pursuant to Government Code Section 31000, County may contract with independent contractors for the furnishing of such services to or for County or any Department thereof;

WHEREAS, the parties entered into an Agreement for consulting and audit services on January 12, 2015 for the term of February 1, 2015, to January 31, 2018, in an amount not to exceed \$100,000; and

WHEREAS, the parties amended the Agreement on February 23, 2016 to add additional services to include quantitative review of pharmacy chargemaster and monthly NDC monitoring, and increase the amount payable by \$350,000 to an amount not to exceed \$450,000; and

WHEREAS, the parties amended the Agreement on December 19, 2016 to add additional audit services in order to analyze the inventory and purchasing of records for medications dispensed by County's contracted pharmacies and refilled by County's drug wholesaler, with no changes to the term or fiscal obligation; and

WHEREAS, the parties amended the Agreement on January 4, 2018 to extend the term of the agreement through January 31, 2020 with no changes to the fiscal obligation; and

WHEREAS, the parties amended the Agreement on February 12, 2019 to add additional audit and compliance services and increase the amount payable by \$150,000 to an amount not to exceed \$600,000; and

WHEREAS, the parties wish to further amend the Agreement to extend the term by four years through January 31, 2024, and increase the amount payable by \$1,640,400.00, to an amount not to exceed \$2,240,400.

NOW, THEREFORE, IT IS HEREBY AGREED BY THE PARTIES HERETO AS FOLLOWS:

1. Section 2, Contract Term, of the Agreement is amended to read as follows:

The term of this Agreements hall be from February 1, 2015, to January 31, 2024 unless terminated earlier by the County.

2. Section 3, Payments, of the Agreement is amended to read as follows:

In consideration of the services rendered in accordance with all terms, conditions, and specifications set forth herein and any Exhibit(s) or attachment(s) attached hereto, County shall make payment to Contractor in the manner specified herein and in Exhibit A. In the event that the County makes any advance payments, Contractor agrees to refund any amounts in excess of the amount owed by the County at the time of contract termination. County reserves the right to withhold payment if County determines that the quantity or quality of the work performed is unacceptable. In no event shall total payment for services under this Agreement exceed TWO MILLION TWO HUNDRED FORTY THOUSAND FOUR HUNDRED DOLLARS (\$2,240,400).

3. As of February 1, 2020, Revised Exhibit A (rev. 11/20/18) shall be replaced with Revised Exhibit A, (rev.10/7/19), a copy of which is attached hereto to this amendment and incorporated into the agreement by this reference.
4. **All other terms and conditions of the Agreement dated January 12, 2015, between the County and Contractor shall remain in full force and effect, except as expressly amended by the parties.**

In witness of and in agreement with this Agreement's terms, the parties, by their duly authorized representatives, affix their respective signatures:

For Contractor: S/T HEALTH GROUP CONSULTING, INC.

Guy M. Shvitz
Contractor Signature
V.P.

11/4/2019
Date

Guy M. Shvitz
Contractor Name (please print)

COUNTY OF SAN MATEO

By:
President, Board of Supervisors, San Mateo County

Date:

ATTEST:

By:
Clerk of Said Board

REVISED EXHIBIT A

(rev. 10/7/19)

Statement of Work #3.1 NDC Monitoring and Maintenance Calendar Year(s) 2020-2024

Statement of Work

Introduction

The objective of this SOW is to provide CUSTOMER with recommendations for the appropriate NDC number to be used in hospital pharmacy, Sentry and charge master (CDM) information systems in order to align NDC in formulary with contemporaneous purchasing trends.

Project Scope and Tasks

TASK	TASK DESCRIPTION
1	STHG will review contemporary purchasing records provided by CUSTOMER's prime vendor wholesaler. STHG will normalize the purchasing data and apply our algorithms and resources to determine, by hospital, the predominant vendor product for each unique generic entity for the most recent review period.
2	The review period interval as defined by CUSTOMER will be once per month. The selection criteria for each product as defined by CUSTOMER will be the item most frequently ordered with the largest volume.
3	CUSTOMER will provide STHG with an extract of the Hospital Pharmacy, Sentry and CDM. This data will contain the CDM charge code, the associated NDC number and the hospital identifier. No patient specific data will be transferred.
4	STHG will compare, at a unique generic entity level, the NDC number currently on record for each charge code for each hospital and compare it to the purchasing records for each individual hospital to determine the appropriate NDC number for each charge code based on the recent purchasing history and the selection criteria pre-defined by CUSTOMER.
5	Where the NDC of record in the hospital pharmacy system is different than the product identified in the review of the purchasing records, STHG will provide a report, by hospital, in a spreadsheet format, with a recommendation for updating the NDC number of record to the most current product.

Assumptions

1. Project work will be accomplished mostly off-site via internet and FTP transfer with occasional visits to CUSTOMER corporate office as needed.
2. The scope of work to be performed by STHG for this project does not include advising CUSTOMER on patient pricing used for items in the CDM.
3. The scope of this SOW will be limited to purchasing data provided by CUSTOMER's prime vendor wholesaler. Most hospital pharmacies also make limited direct purchases from other vendors and that data would not be included in this process. However, reports will be included to CUSTOMER of those items from the billing utilization for which a generic match in the purchasing data could not be found so that each hospital can take further action on those items.
4. CUSTOMER will provide STHG with the data elements needed to provide the deliverables as defined in this SOW including working with CUSTOMER's prime vendor wholesaler to ensure timely delivery of purchasing data and working with CUSTOMER's information systems department to assure timely delivery of billing interface data.
5. STHG is granted CUSTOMER authority to obtain the necessary information to perform this review. CUSTOMER grants STHG the power to communicate directly with vendors on

CUSTOMER behalf. STHG will compile, process vendor data and update STHG's proprietary database to locate potential errors and to update STHG's proprietary statistical database.

Project Deliverables

1. A report for CUSTOMER will be delivered once per month, indicating where the primary NDC number in the hospital pharmacy system for each CDM number should be updated based on the most commonly purchased NDC number in each generic entity for the prior month.
2. A report of records that could not be reviewed because the generic entity reported in the billing detail could not be found in the purchasing data for the review period.
3. A report indicating any instances where STHG has identified if the NDC number currently being reported from the hospital pharmacy, Sentry and CDM is not appropriate for the CDM charge code description.

Project Timeline

The term of this SOW shall commence on 02/01/2020 and shall continue for four years unless sooner terminated in writing by either party in accordance with the terms of the Agreement, with deliverables provided once per month as defined in this SOW.

Location

Project work will be accomplished primarily at STHG offices in Stafford, Texas. Site visits to the CUSTOMER corporate office will be on an as-needed basis at the request of CUSTOMER.

Fees and Expenses

STHG will provide the services and deliverables described above to CUSTOMER for a fee of \$7,800 per month for the term of this SOW.

Travel and out-of-pocket expenses, if needed and with prior approval of CUSTOMER, will be billed in addition to the monthly fee.

Invoices

All invoices must be emailed to the following email addresses: SMMC-Accounts-Payable@smcgov.org. Processing time may be delayed if invoices are not submitted electronically.

Statement of Work # 5.1
340B Program Contract Pharmacy Analysis – TruDat
Audit 5, 6, 7 and 8
Review of Calendar Year(s) 2020-2023

Statement of Work

The purpose of this SOW is to define a project to be completed by STHG to assist CUSTOMER with an analysis of inventory and purchasing records for medications dispensed by up to four (4) of CUSTOMER's contracted pharmacies and replenished by CUSTOMER's drug wholesaler(s) on behalf of CUSTOMER in order to confirm the accuracy of inventory records showing the CUSTOMER's inventory on hand in the contracted pharmacy and accuracy of vendor fees for the following review periods:

- Calendar Year 2020 to be completed in 2021
- Calendar Year 2021 to be completed in 2022
- Calendar Year 2022 to be completed in 2023
- Calendar Year 2023 to be completed in 2024

Project Scope and Tasks

TASK	TASK DESCRIPTION
1	Obtain and perform initial analysis on contract pharmacy and wholesaler inventory and purchasing records for the defined audit period. Normalize data as needed.
2	Obtain and perform initial analysis of Contract Pharmacy dispensing records by for the defined audit period. Normalize data as needed.
3	Develop analysis database and reporting tools.
4	Perform inventory reconciliation analysis, comparing reported inventory on hand by contracted pharmacy to wholesaler replenishment invoices and clinic dispensing records. Identify discrepancies between reported and calculated inventory on hand and discrepancies between invoiced quantities versus dispensed quantities. Define value of over/under discrepancies based on pricing reported for each time period in data provided by CUSTOMER.
5	Develop initial findings and perform quality assurance review
6	Develop final report and presentation of findings.

Assumptions

1. Project work will be accomplished primarily off-site via e-mail and internet communication. Any visits onsite to CUSTOMER by STHG will be by prior approval of CUSTOMER.
2. Project work by STHG will consist of analysis of purchasing and dispensing records provided to STHG by CUSTOMER and will not include taking of any onsite physical inventories.

3. Data for this project will be provided by CUSTOMER and will be in substantially the same file layout as provided in sample data given to STHG for the evaluation done to develop this SOW

Project Deliverables

Final Report of over/under discrepancies between reported and calculated inventory on hand and discrepancies between invoiced quantities versus dispensed quantities. Calculate value and any amounts owed to CUSTOMER based on applicable pricing at time of audit.

Project Timeline

This task order will commence on or about **(To Be Determined)** with an estimated completion date of 8 to 10 weeks from receipt of all data required to complete the project as described herein.

Responsibilities and Obligations

Mutual Obligations

CUSTOMER and STHG will work together to ensure successful management and completion of the project by meeting their obligations in the areas listed below.

CUSTOMER Obligations

CUSTOMER will provide a resource that will be responsible for guidance of the project, appointing appropriate CUSTOMER resources, resolving project issues, and monitoring project progress.

In order to enable STHG staff to perform tasks in accordance with the project plan, CUSTOMER will provide reasonable cooperation in providing support in the following areas:

- Access to CUSTOMER data that may be required to complete project tasks.
- Reasonable access to CUSTOMER staff as required for analysis, system documentation and training if needed.

STHG is granted CUSTOMER authority to obtain the necessary information to perform this review. CUSTOMER grants STHG the power to communicate directly with vendors on CUSTOMER behalf. STHG will compile, process vendor data and update STHG's proprietary database to locate potential errors and to update STHG's proprietary statistical database. In addition to providing reasonable cooperation and support, CUSTOMER will meet payment obligations to STHG per the Agreement and as described in this task order.

STHG Obligations

Overall responsibilities of STHG in this project are:

- Provide personnel with adequate skills to perform tasks as defined in this task order.
- Perform tasks on schedule and satisfy requirements for defined deliverables.

- STHG recognizes that during the term of this LOP and in the course of its performance, STHG will receive and otherwise be exposed to confidential information of CUSTOMER. STHG acknowledges the confidential and secret character of the confidential information, and agrees that the confidential information is the sole, exclusive and extremely valuable property of CUSTOMER. Accordingly, STHG agrees not to reproduce any of the confidential information except in the performance of this SOW, and not to divulge all or any part of the confidential information in any form to any third party, either during or after the term of this SOW.

Payment

Price

STHG's proposed price for this project as described herein is \$36,600.00 per audit year. Any travel and out-of-pocket expenses, if needed, and with prior approval of CUSTOMER will be billed in addition to our fee. Should CUSTOMER require any work previously completed and approved by CUSTOMER to be redone, then CUSTOMER will pay for all rework accomplished by STHG at rate of \$300 per hour, unless the reason for the work to be redone was caused by STHG.

Invoicing

Upon execution of this SOW, STHG will invoice CUSTOMER in the amount of \$14,640.00 per audit year. Invoicing of the remaining \$21,960.00 will be upon completion of each project work. Invoice terms are net due on receipt. Any changes to the estimated timeline or billing for this project will be pre-approved by CUSTOMER.

Statement of Work # 6.3
340B Compliance Policy/Procedure Transaction Review
Audit # 3 and 4
Calendar Year(s) 2021 and 2023

Statement of Work

The purpose of this SOW is to define a project to be completed by STHG in collaboration with CliftonLarsonAllen, LLP (CLA) on behalf of CUSTOMER for a 340B assessment and audit that includes: evaluating 340B program integrity by gaining an understanding of CUSTOMER current situation, focusing on 340B program integrity. CLA will utilize a systematic approach based on the Health Resources and Services Administration (HRSA) guidance to assess 340B compliance to determine if appropriate controls are in place.

The STHG CLA partnership offers hospitals the most extensive review available in the 340B audit space. Their experience and involvement in several projects help hospitals diagnose and repair systemic issues in 340B operations.

At project's end, CUSTOMER will receive a report with findings and recommendations designed to strengthen the integrity of its 340B Program and optimize program operations.

Project Plan

Compliance Review

CLA will review CUSTOMER 340B Program operations and compliance with program requirements from both a broad-based approach and a focused approach, respectively.

CLA audit approach is to conduct a focused review of a sample of 95 patient-level 340B eligible claims and compare the data to the medical record, provider files, OPA database, and Medicare cost report in mixed use, straight 340B and contract pharmacy settings. This is done to evaluate CUSTOMER compliance with meeting HRSA's patient definition and preventing diversion and duplicate discounts.

CLA work complements STHG's efforts by providing specific feedback on whether CUSTOMER has controls in place to ensure that 340B drugs go to proper patients from qualified providers and registered places of care both inside the system and through contract pharmacy relationships.

CLA will also evaluate the level of the hospital's documentation of practices and gauge their readiness for a manufacturer or HRSA-audit.

Compliance P&P, and Transaction Review TASK	TASK DESCRIPTION
1	Program Eligibility and Registration: CLA will:

Compliance P&P, and Transaction Review TASK	TASK DESCRIPTION
	<ul style="list-style-type: none"> Review 340B eligibility criteria including the HRSA 340B database listing for eligible sites and contract pharmacies, contracts with state/local government or non-profit status, and attestations to the GPO prohibition and/or the orphan drug exclusion. Examine the documentation for OPA registration (including the most recently filed Medicare cost report), and how the entity has registered its child sites (outpatient clinics) and ship-to/bill-to addresses, if applicable. Map all locations where prescriptions originate for fill using 340B drugs, in-house or via a contract pharmacy and discuss how the other system sites relate to the 340B program, if applicable.
2	Policies and Procedures: CLA will evaluate current 340B policies and procedures, confirm that the document(s) include all of the elements requested by HRSA in an audit data request, and provide best practice recommendations.
3	Internal Audit Processes: CLA will evaluate current internal audit processes and provide best practice recommendations for establishing a systematic audit process with set timelines and deliverables.
4	<p>Program Compliance: CLA will track the extent to which patients receiving 340B drugs meet all requirements of the program as defined in 340B regulations through sampled transaction testing. This step includes tracing a sample of approximately 35 prescription-based transactions including 30 mixed use and straight 340B accounts and 5 high-cost drugs. The data will be reviewed for:</p> <ul style="list-style-type: none"> <i>Provider Eligibility:</i> Compliance testing includes an evaluation of the prescription to determine if the individual received health care services from a health care professional who was either employed by the CUSTOMER or provided health care (e.g., referral for consultation) such that responsibility for the care provided remained with the Contra Costa Health System. <i>Site Eligibility:</i> Compliance testing includes an evaluation of the site of care associated with where the medication order originated to determine if the individual received health care services at a 340B eligible clinic. CLA will confirm that the site of care for each 340B qualified claim is listed in the OPA 340B database. <i>Patient Eligibility:</i> Compliance testing includes an evaluation of the electronic health record to determine if the CUSTOMER had established a relationship with the individual such that the CUSTOMER maintained records of the individual's health

Compliance P&P, and Transaction Review TASK	TASK DESCRIPTION
	<p>care.</p> <ul style="list-style-type: none"> • <i>Duplicate Discounts:</i> Compliance testing includes an evaluation of patient payer status to determine if the patient was eligible for Medicaid to determine that situations were prevented in which a medication was subject to both the 340B program discount and a Medicaid rebate claim. • <i>Inventory Management:</i> Compliance testing includes validation that 340B qualified medication was either purchased or added to a 340B accumulator and that all pharmacies maintain appropriate 340B drug procurement, replenishment, and inventory processes. Additionally, CLA will verify that the GPO prohibition was not violated
5	<p>Contract Pharmacy Arrangements: CLA will evaluate CUSTOMER contract pharmacies' compliance with 340B program requirements and OPA's recommended essential elements of a contract pharmacy arrangement. As part of the detailed review, CLA will perform patient-level transaction testing of approximately 60 contract pharmacy claims as part of the full-service external audit offered by CUSTOMER and STHG.</p>
6	<p>CLA will evaluate what changes have been made and/or recommendations have been implemented since the previous review was performed.</p>

Report Writing TASK	TASK DESCRIPTION
1	<ul style="list-style-type: none"> • Synthesize findings from (Health Center) Mixed Use and Contract Pharmacy Audits and CLA Transaction Testing to develop findings and recommendations • Incorporate findings and recommendations from CLA review of policies and procedures and site visit
2	<ul style="list-style-type: none"> • Create Final Report
3	<ul style="list-style-type: none"> • Create and Deliver Presentation to CUSTOMER Pharmacy and Leadership • Create Implementation Plan for CUSTOMER Pharmacy

Assumptions

CLA project work to be performed on and off site.

Project Deliverables

At the end of the engagement, STHG in collaboration with CLA will provide CUSTOMER with a 340B Program Review Report that includes the findings and recommendations on strengthening program integrity, a presentation to CUSTOMER Executives, and an Implementation Plan for the CUSTOMER Pharmacy Team.

Project Timeline

We will work with CUSTOMER on the optimal start/completion date, but notwithstanding scheduling conflict, we anticipate this project would be completed within 8 to 10 weeks.

Responsibilities and Obligations

Mutual Obligations

CUSTOMER and STHG will work together to ensure successful management and completion of the project by meeting their obligations in the areas listed below.

CUSTOMER Obligations

CUSTOMER will provide a resource that will be responsible for guidance of the project, appointing appropriate CUSTOMER resources, resolving project issues, and monitoring project progress.

In order to enable STHG staff to perform tasks in accordance with the project plan, CUSTOMER will provide reasonable cooperation in providing support in the following areas:

- Access to CUSTOMER data that may be required to complete project tasks.

- Reasonable access to CUSTOMER staff as required for analysis, system documentation and training if needed.

In addition to providing reasonable cooperation and support, CUSTOMER will meet payment obligations to STHG per the Agreement and as described in this task order.

STHG Obligations

Overall responsibilities of STHG in this project are:

- Provide personnel with adequate skills to perform tasks as defined in this task order.
- Perform tasks on schedule and satisfy requirements for defined deliverables.
- STHG recognizes that during the term of this SOW and in the course of its performance, STHG will receive and otherwise be exposed to confidential information of CUSTOMER. STHG acknowledges the confidential and secret character of the confidential information, and agrees that the confidential information is the sole, exclusive and extremely valuable property of Contra Costa Health System. Accordingly, STHG agrees not to reproduce any of the confidential information except in the performance of this SOW, and not to divulge all or any part of the confidential information in any form to any third party, either during or after the term of this SOW.

Payment

Price

Total Cost:

Audit Year 2021 and 2023

On- Site Survey and Transaction Review	\$ 25,100
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Total	\$ 25,100
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Post Audit Facilitation and Support	Per hour rate \$ 300.00
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STHG's proposed price for this project as described herein is \$25,100 per audit year for a total SOW cost of \$50,200.

Should CUSTOMER require any work previously completed and approved by CUSTOMER to be redone, then CUSTOMER will pay for all rework accomplished by STHG at rate of \$300 per hour, unless the reason for the work to be redone was caused by STHG.

Invoicing

At the completion of each audit for the calendar year(s) described above S/T Health Group will invoice CUSTOMER \$25,100 and invoice terms are Net Due upon receipt. Any changes to the estimated timeline or billing for this project will be pre-approved by CUSTOMER.

Statement of Work # 7.1
340B Program Mixed Use Pharmacy Analysis – TruDat
Review of Calendar Year(s) 2020-2023 (4 Audits)

Statement of Work

The purpose of this SOW is to define a project to be completed by STHG to provide CUSTOMER with a reconciliation analysis of dispensing, inventory and purchasing records for the following areas within CUSTOMER where dispensing to qualified 340B patients occurs:

- One (1) main facility inpatient/outpatient mixed use pharmacy

and for the following review periods:

- Calendar Year 2020 to be completed in 2021
- Calendar Year 2021 to be completed in 2022
- Calendar Year 2022 to be completed in 2023
- Calendar Year 2023 to be completed in 2024

Each of the areas defined above will constitute a separate data set, work effort and set of deliverables.

Project Scope and Tasks

TASK	TASK DESCRIPTION
1	The scope of this project will be dispensing and purchasing records for the time periods described above.
2	The scope of this review in the mixed-use environment will be a sample of 25 unique National Drug Codes (NDC). Selection of sample will be the top 25 reviewable drugs by total purchases dollars, or by a method to be mutually agreed by CUSTOMER and STHG
3	Obtain and perform initial analysis of prime vendor wholesaler purchasing records for purchases made under the Federal 340B program where such 340B purchases are maintained in a mixed-use (virtual) inventory.
4	STHG will obtain and perform initial analysis of the CUSTOMER “transaction log” of patient status from outpatient to inpatient status, if applicable.
5	STHG will obtain and perform initial analysis of the CUSTOMER pharmaceutical dispensing records for outpatients for the same time period described above.
6	STHG will obtain and perform initial analysis of CUSTOMER virtual inventory accumulator program used to track mixed use virtual inventory for determining quantity of drugs to order under wholesaler accounts that access Federal 340B program pricing.

7	<p>STHG will perform a reconciliation between the dispensing records for CUSTOMER outpatients, the drug purchases made under the wholesaler accounts established to access 340B program pricing and the mixed-use virtual inventory accumulator program to include the following:</p> <p>Validating the identity and quantity of drugs dispensed to patients who were eligible to receive drugs at 340B program pricing, with patient eligibility to be determined by patient status as an outpatient at the time each drug dispense occurred, such eligibility to be determined by patient status in the CUSTOMER patient transaction log.</p> <p>Excluding dispensing done to Medicaid outpatients in the calculation of 340B drug utilization eligibility, with determination of Medicaid status from the CUSTOMER patient transaction log.</p> <p>Comparing the amount of each drug dispensed to 340B eligible outpatients to the quantity of purchases made for each drug under wholesaler accounts eligible to access 340B program pricing and comparing the net result of dispensing and purchasing to the net values remaining in the CUSTOMER mixed use virtual inventory accumulator in order to verify appropriate purchasing patterns and accurate virtual inventory balances.</p> <p>Verifying that purchases made on accounts eligible to access 340B program pricing, as well as the virtual inventory accumulator values, are reflective of all drugs dispensed to eligible outpatients (excluding Medicaid patients as described above) and not limited to only those drugs for which 340B program pricing is available.</p>
8	<p>Develop final report and presentation of reconciliation of inpatient/outpatient 340B mixed use virtual inventory, purchasing history and accumulator program status.</p>

Assumptions

1. Project work will be accomplished primarily off-site via e-mail and internet communication. Any visits onsite to CUSTOMER by STHG will be by prior approval of CUSTOMER.
2. Project work by STHG will consist of analysis of purchasing and dispensing records provided to STHG by CUSTOMER and will not include taking of any on site physical inventories.
3. Data for this project will be provided by CUSTOMER and will be in substantially the same file layout as provided in sample data given to STHG for the evaluation done to develop this SOW.
4. S/T Health Group is dependent on the integrity of the data elements required to perform the audit. Upon receipt and analysis of the required San Mateo data S/T will advise San Mateo on our ability to provide the deliverables described in the task section above.

Project Deliverables

Final report and presentation of reconciliation between dispensing history, purchasing history and accumulator status (where applicable), at NDC level detail and with summary statistics, for the following areas:

- One (1) main facility inpatient/outpatient mixed use pharmacy

Responsibilities and Obligations

Mutual Obligations

CUSTOMER and STHG will work together to ensure successful management and completion of the project by meeting their obligations in the areas listed below.

CUSTOMER Obligations

CUSTOMER will provide a resource that will be responsible for guidance of the project, appointing appropriate CUSTOMER resources, resolving project issues, and monitoring project progress.

In order to enable STHG staff to perform tasks in accordance with the project plan, CUSTOMER will provide reasonable cooperation in providing support in the following areas:

- Access to CUSTOMER data that may be required to complete project tasks.
- Reasonable access to CUSTOMER staff as required for analysis, system documentation and training if needed.

In addition to providing reasonable cooperation and support, CUSTOMER will meet payment obligations to STHG per the Agreement and as described in this task order.

STHG Obligations

Overall responsibilities of STHG in this project are:

- Provide personnel with adequate skills to perform tasks as defined in this task order.
- Perform tasks on schedule and satisfy requirements for defined deliverables.
- STHG recognizes that during the term of this SOW and in the course of its performance, STHG will receive and otherwise be exposed to confidential information of CUSTOMER. STHG acknowledges the confidential and secret character of the confidential information, and agrees that the confidential information is the sole, exclusive and extremely valuable property of CUSTOMER. Accordingly, STHG agrees not to reproduce any of the confidential information except in the performance of this SOW, and not to divulge all or any part of the confidential information in any form to any third party, either during or after the term of this SOW.

Payment

Price

STHG's proposed price for this project as described herein is \$59,400 per audit year.

NOTE: The ability of STHG to complete the 340B reconciliation analysis as defined in this SOW is dependent on the availability and quality of data provided, particularly as it relates to dispensing and Admit-Discharge-Transfer (ADT) records in the mixed-use space. Once the data has been received and an initial assessment completed, we will validate our ability to achieve the deliverables described herein. Should it be determined that the data is insufficient to provide a viable deliverable, the total project cost will be reduced by an amount of \$15,000

Should CUSTOMER require any work previously completed and approved by CUSTOMER to be redone, then CUSTOMER will pay for all rework accomplished by STHG at rate of \$300 per hour, unless the reason for the work to be redone was caused by STHG.

Invoicing

At the beginning of each audit period STHG will invoice CUSTOMER in the amount of \$15,000 upon execution of SOW. Invoicing of the remaining \$44,400 will be upon completion of project work. Final invoice terms are net due upon receipt. Any changes to the estimated timeline or billing for this project will be pre-approved by CUSTOMER. Any travel onsite to CUSTOMER by STHG will be by prior approval of CUSTOMER only. Any travel and expenses for approved visits will be billed in conjunction with the final invoice.

Statement of Work # 8
Contract Compliance and Optimization Plus 340B (CCR PLUS)

1.0 Services.

The “**Services**” under this SOW include the Consultant obligations set forth in this **Section 1**:

1.1 General Description of Services.

Consultant shall provide CUSTOMER with an optimization monitoring and benchmarking service for Individual, GPO, 340B, and WAC, pharmaceutical purchases.

Project tasks will include:

1. Consultant will review contemporary purchasing records provided by CUSTOMER’S prime vendor wholesaler. Consultant will normalize the purchasing data, update STHG’s proprietary statistical databases and apply algorithms and resources to analyze pharmaceutical contracts and identify opportunities to maximize the benefit of its pharmaceutical contract portfolio.
2. This monthly reporting will be performed on an individual wholesaler account level. The criteria for each product recommended conversion is on a generic level to identify purchases not compliant to the least cost item available.
3. CUSTOMER will provide Consultant access to its invoice-level purchase data on a monthly basis in the manner determined by CUSTOMER. No patient specific data will be transferred, accessed or viewed.
4. Consultant will compare, at a unique generic entity level, the NDC number purchased to the current contract portfolio to identify the least-cost alternate contract item. Where the NDC of the purchased product is not in compliance with the least-cost contract item, Consultant will provide a report, by facility or customer defined area within each facility(s), with a recommendation for purchasing the least-cost alternate product.

1.2 Deliverables.

1. A report for each facility or customer defined area within each facility(s), once per month, indicating where the NDC of the purchased product is not the least-cost contract item for the prior month.
2. A report on a corporate or health-system level of basic metrics for each of the facility(s) within CUSTOMER.

1.3 Timetable for Performance of Services; Term; Termination.

The term of this SOW shall commence on TBD (the “**Commencement Date**”) and shall continue through 02/01/2024 (the “**Term**”). Any time after 6 months from the Commencement Date, CUSTOMER may terminate this SOW with a 30-day written notice.

At the end of the 1st (6) months following the Commencement Date and every six months thereafter Consultant will perform a business review illustrating the actual historical CUSTOMER ROI. In the unlikely event that CUSTOMER has not achieved \$57,000 (6 months of base fee) in “Realized Savings” Consultant will adjust the monthly fee accordingly or CUSTOMER may choose to cancel the agreement as described above.

2.0 Location.

Project work will be accomplished primarily at Consultant’s offices in Stafford, Texas. Site visits to the CUSTOMER corporate office will be on an as-needed basis at the request of CUSTOMER.

3.0 Fees and Expenses.

STHG’s fee to CUSTOMER for the services described herein will consist of a base monthly fee and a share of savings component as follows:

(1) BASE MONTHLY FEE: \$ 9,500.00 per month, invoiced monthly.

(2) SHARE OF SAVINGS: Based on the REALIZED SAVINGS report as calculated by STHG (see Section 5, Sample Realized Savings below), a share of savings will be paid to STHG, quarterly, based on the following calculations:

SHARE OF SAVINGS = ((REALIZED SAVINGS) MINUS (2 X BASE MONTHLY FEE)) X 10%.

The Share of Savings fee will be invoiced quarterly based on calculated monthly realized savings for the prior three months.

4.0 Assumptions

1. Project work will be accomplished mostly off-site, with occasional visits to CUSTOMER as needed.
2. CUSTOMER will provide Consultant access to contemporaneous invoice-level prime vendor purchase data on a monthly basis.
3. CUSTOMER will provide Consultant with the email accounts of the appropriate parties to receive the deliverable reports (ie. Buyer, Manager, etc.). The scope of this SOW will be limited to purchasing data provided by CUSTOMER’S prime vendor wholesaler.
4. CUSTOMER will provide Consultant with the data elements needed to provide the deliverables as defined in this SOW including working with CUSTOMER’S prime vendor wholesaler to ensure timely delivery of purchasing data.

5. CUSTOMER will provide a corporate contact to administrate Contract Compliance and Optimization Reports to CUSTOMER'S Buyers and Managers.
6. CUSTOMER'S Buyers and Managers will communicate to Consultant where CUSTOMER can not or will not make the recommended substitutions.

SAMPLE CCR+ Realized Savings

August 2017 Savings Detail

These savings are calculated by comparing purchases made after a recommendation against the prices paid for other NDCs before the recommendation. These figures only include instances where a purchase was made in both months on an account of the listed GPO.

Facility Name	GPO	Report Month	New NDC	New Item Description	Start Date	End Date	Old Unit Price	New Unit Price	Qty	Old Ext.	New Ext.	Savings
SAMPLE Specialty Pharmacy (460312, 464130, PHS		Oct 2016	000931747489	Capacetabine 200mg TABS 120 EA	8/2/2017	8/30/2017	\$2,259.13	\$375.51	19	\$42,923.47	\$7,134.69	\$35,788.78
SAMPLE General Hospital (460634, 463992, 46 GPO		Jan 2017	00603188016	Lidocaine 5% PTCB 30 EA	8/2/2017	8/29/2017	\$347.83	\$91.72	24	\$8,447.92	\$2,201.28	\$6,246.64
SAMPLE General Hospital (460634, 463992, 46 GPO		Jan 2017	59676031001	Procton 1000mg/ML SOV EX1ML	8/2/2017	8/23/2017	\$887.97	\$740.27	37	\$32,854.89	\$27,389.99	\$5,464.90
SAMPLE General Hospital (460634, 463992, 46 GPO		Nov 2016	63323016201	ketorolac Tromethamine 30mg/ML SOV 25X1ML	8/2/2017	8/28/2017	\$130.85	\$19.10	30	\$3,925.50	\$573.00	\$3,352.50
SAMPLE Specialty Pharmacy (462812, 464130, WAC		Apr 2017	53111076280	Valganciclovir 450mg TABS 80 EA	8/2/2017	8/24/2017	\$4,668.90	\$1,464.54	1	\$4,668.90	\$1,464.54	\$3,204.36
SAMPLE General Hospital (460634, 463992, 46 GPO		Jun 2017	53111068852	Zoledronic Acid 5mg/100ml BTL 100 ML	8/2/2017	8/23/2017	\$1,009.91	\$146.42	33	\$3,029.73	\$489.26	\$2,540.47
SAMPLE General Hospital (460634, 463992, 46 GPO		Jun 2017	63323029561	Varicomylin Hcl 5mg/PWVL 1 EA	8/2/2017	8/8/2017	\$80.38	\$17.94	9	\$2,652.54	\$592.02	\$2,060.52
SAMPLE General Hospital (460634, 463992, 46 GPO		Jun 2017	63323037701	Octreotide Acetate 0.5mg/ML SOV 10X1ML	8/2/2017	8/27/2017	\$326.13	\$121.60	9	\$2,935.17	\$1,094.40	\$1,840.77
SAMPLE General Hospital (460634, 463992, 46 GPO		Jun 2017	60409713101	Ceftriaxone Sodium 1gm PWVL 10X1EA	8/2/2017	8/24/2017	\$40.42	\$7.22	82	\$2,150.86	\$592.04	\$1,558.82
SAMPLE General Hospital (460634, 463992, 46 GPO		Dec 2016	23135064742	Onidanseron 2mg/ML SDPF 25X2ML	8/2/2017	8/27/2017	\$49.59	\$6.95	36	\$1,785.24	\$250.20	\$1,535.04
SAMPLE General Hospital (460634, 463992, 46 GPO		Nov 2016	53268010001	Golytely Not Available POSH 4000 ML	8/2/2017	8/24/2017	\$163.96	\$95.19	20	\$3,279.20	\$1,903.80	\$1,375.40
SAMPLE County Hospital (465182, 465187, 465 PHS		Aug 2016	43298030582	Azaxidine 100mg PWVL 1 EA	8/9/2017	8/28/2017	\$230.82	\$120.16	12	\$2,767.44	\$1,441.92	\$1,325.52
SAMPLE General Hospital (460634, 463992, 46 GPO		Jun 2017	60143962425	Paricalcitol 5mg/ML SOV 25X1ML	8/14/2017	8/16/2017	\$102.49	\$44.48	19	\$1,947.31	\$845.12	\$1,102.19
SAMPLE General Hospital (460634, 463992, 46 GPO		Jun 2017	63323065820	Chlorothiazide Sodium 500mg PWVL 1 EA	8/14/2017	8/16/2017	\$102.49	\$44.48	19	\$1,947.31	\$845.12	\$1,102.19

SAMPLE CCR+ REALIZED SAVINGS REPORT

\$830,566

\$81,597

\$67,954

Savings Summary by Facility				TOTAL			
Hospital Code ▾	Facility Name ▾	Total Purchases ▾	Realized Savings ▾	Pct ▾	Total Purchases ▾	Realized Savings ▾	Pct ▾
HOSPA	HOSPITAL A	\$154,825	\$140	0.09%	\$54,581	\$0	0.00%
HOSPB	HOSPITAL B	\$1,674,524	\$605	0.04%	\$211,662	\$0	0.00%
HOSPC	HOSPITAL C	\$285,847	\$6,865	2.40%	\$28,586	\$377	1.32%
HOSPD	HOSPITAL D	\$58,704,240	\$338,892	0.58%	\$5,238,701	\$31,184	0.60%
HOSPE	HOSPITAL E	\$1,487,964	\$59,034	3.97%	\$131,510	\$1,975	1.50%
HOSPF	HOSPITAL F	\$2,319,017	\$6,426	0.28%	\$206,983	\$45	0.02%
HOSPG	HOSPITAL G	\$59,543	\$0	0.00%	\$3,789	\$0	0.00%
HOSPH	HOSPITAL H	\$314,454	(\$2)	0.00%	\$24,794	\$0	0.00%
HOSPI	HOSPITAL I	\$416,489	\$2,550	0.61%	\$20,999	\$382	1.82%
HOSPI	HOSPITAL J	\$311,634	(\$104)	-0.03%	\$22,447	\$0	0.00%
HOSPK	HOSPITAL K	\$118,421	\$368	0.31%	\$7,219	\$0	0.00%
HOSPL	HOSPITAL L	\$696,836	\$373	0.05%	\$66,147	\$0	0.00%
HOSPM	HOSPITAL M	\$228,880	\$0	0.00%	\$5,204	\$0	0.00%
HOSPN	HOSPITAL N	\$938,739	\$1,017	0.11%	\$93,288	\$11	0.01%
HOSPO	HOSPITAL O	\$12,013,682	\$8,866	0.07%	\$1,415,747	\$935	0.07%
HOSPP	HOSPITAL P	\$4,813,803	\$16,802	0.35%	\$360,728	\$1,637	0.45%
HOSPP	HOSPITAL Q	\$1,559,281	\$16,980	1.09%	\$145,718	\$1,297	0.89%
HOSPR	HOSPITAL R	\$3,468,082	\$0	0.00%	\$231,999	\$0	0.00%
HOSPS	HOSPITAL S	\$4,786,325	\$5,775	0.12%	\$418,248	\$1,330	0.32%
HOSPT	HOSPITAL T	\$508,932	\$20,274	3.98%	\$57,392	\$48	0.08%
HOSPU	HOSPITAL U	\$5,652,920	\$16,361	0.29%	\$611,174	\$956	0.16%
HOSPV	HOSPITAL V	\$4,520,261	\$11,295	0.25%	\$368,916	\$1,179	0.32%
HOSPW	HOSPITAL W	\$34,003,335	\$367,922	1.08%	\$2,863,307	\$40,240	1.41%
HOSPX	HOSPITAL X	\$18,228	\$0	0.00%	\$1,080	\$0	0.00%
HOSPY	HOSPITAL Y	\$23,811	\$128	0.54%	\$512	\$0	0.00%

August 2017				July 2017			
Hospital Code ▾	Facility Name ▾	Total Purchases ▾	Realized Savings ▾	Pct ▾	Total Purchases ▾	Realized Savings ▾	Pct ▾
HOSPA	HOSPITAL A	\$154,825	\$140	0.09%	\$154,825	\$0	0.00%
HOSPB	HOSPITAL B	\$1,674,524	\$605	0.04%	\$1,674,524	\$0	0.00%
HOSPC	HOSPITAL C	\$285,847	\$6,865	2.40%	\$285,847	\$154	0.77%
HOSPD	HOSPITAL D	\$58,704,240	\$338,892	0.58%	\$4,042,669	\$22,263	0.55%
HOSPE	HOSPITAL E	\$1,487,964	\$59,034	3.97%	\$118,344	\$4,146	3.50%
HOSPF	HOSPITAL F	\$2,319,017	\$6,426	0.28%	\$202,957	\$17	0.01%
HOSPG	HOSPITAL G	\$59,543	\$0	0.00%	\$2,921	\$0	0.00%
HOSPH	HOSPITAL H	\$314,454	(\$2)	0.00%	\$10,398	\$0	0.00%
HOSPI	HOSPITAL I	\$416,489	\$2,550	0.61%	\$20,252	\$248	1.22%
HOSPI	HOSPITAL J	\$311,634	(\$104)	-0.03%	\$40,640	\$0	0.00%
HOSPK	HOSPITAL K	\$118,421	\$368	0.31%	\$16,101	\$0	0.00%
HOSPL	HOSPITAL L	\$696,836	\$373	0.05%	\$54,543	\$0	0.00%
HOSPM	HOSPITAL M	\$228,880	\$0	0.00%	\$23,631	\$0	0.00%
HOSPN	HOSPITAL N	\$938,739	\$1,017	0.11%	\$83,863	\$0	0.00%
HOSPO	HOSPITAL O	\$12,013,682	\$8,866	0.07%	\$1,033,372	\$1,183	0.11%
HOSPP	HOSPITAL P	\$4,813,803	\$16,802	0.35%	\$418,696	\$1,697	0.41%
HOSPP	HOSPITAL Q	\$1,559,281	\$16,980	1.09%	\$100,370	\$1,162	1.16%
HOSPR	HOSPITAL R	\$3,468,082	\$0	0.00%	\$186,400	\$0	0.00%
HOSPS	HOSPITAL S	\$4,786,325	\$5,775	0.12%	\$285,335	\$907	0.32%
HOSPT	HOSPITAL T	\$508,932	\$20,274	3.98%	\$38,819	\$0	0.00%
HOSPU	HOSPITAL U	\$5,652,920	\$16,361	0.29%	\$489,347	\$1,425	0.29%
HOSPV	HOSPITAL V	\$4,520,261	\$11,295	0.25%	\$489,617	\$955	0.20%
HOSPW	HOSPITAL W	\$34,003,335	\$367,922	1.08%	\$2,447,320	\$33,797	1.38%
HOSPX	HOSPITAL X	\$18,228	\$0	0.00%	\$493	\$0	0.00%
HOSPY	HOSPITAL Y	\$23,811	\$128	0.54%	\$842	\$0	0.00%

Statement of Work # 9
Price Verification Agreement
Calendar Year(s) 2020-2024

STHG and CUSTOMER agrees to the following:

1. S/T Health Group will continue its review of Customer's purchases from specified suppliers and/or Authorized Distributors every month for the remaining term of this agreement.
2. STHG is granted CUSTOMERs authority to obtain the necessary information to perform this review. CUSTOMER grants STHG the power to communicate directly with vendors on CUSTOMERs behalf. STHG will compile, process vendor data and update STHG's proprietary database to locate potential errors and to update STHG's proprietary statistical database.
3. CUSTOMER will provide STHG with any other necessary information necessary to review past purchases, including copies of pertinent agreements, purchase orders, letters, memoranda, and other communications with the vendor.
4. STHG will work with CUSTOMER to review all responses from vendor regarding claims identified by STHG. This includes defense of any value realized from the vendor in CUSTOMER's favor that is later contested by the vendor within one (1) year from the date such value was realized.
5. STHG will identify overpayments and contact such Authorized Distributors and Supplier on CUSTOMER's behalf, providing proof of CUSTOMER's eligibility and requesting any pricing updates. STHG will submit to Authorized Distributors and/or suppliers a detail and summary reports identifying overpayments which Authorized Distributors and/or suppliers will review and confirm such overpayments. A copy shall be sent to CUSTOMER. Once all credits are issued and final resolution has been determined, STHG will present CUSTOMER with an invoice for STHG's thirty percent fee (30%). Remaining balances due to STHG is based on total actual credits received by CUSTOMER.

Invoice terms are 2% discount, 10 days, net 30 days.

STHG shall pay CUSTOMER a "Vendor Intervention Fee (VIF)" for involvement to resolve potential credits due CUSTOMER from the list of non-participating manufacturers (to be presented by STHG) equal to five (5) percent of the total credits issued to CUSTOMER as a result of their intervention.

6. STHG recognizes the confidential nature of the information acquired in the course of its review. STHG pledges to hold all such information in the strictest confidence and will not voluntarily grant any outside person or entity access to this information.