

# Rightway Pharmacy Manual.



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Your guide to  
better health.

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**IMPORTANT:**

This Manual supersedes and replaces all previous versions of the Manual by whatever name. This Manual and the contents of this Manual are confidential and proprietary to Rightway and are subject to the confidentiality provisions of the Provider Participation Agreement. This Manual and the contents of this Manual may not be reproduced, transmitted, published, or disclosed to others without Rightway's prior written authorization. Unless otherwise defined in the Manual, capitalized terms used herein shall have the meaning stated in the Pharmacy Network Agreement and Exhibit A thereto. The Manual is part of the Agreement and failure to comply with the Manual shall be a breach of the Agreement and grounds for termination of the Agreement.

## 1. Rightway Contact Information.

Unless otherwise instructed by Rightway, for questions regarding contracting, payment/remittance, MAC, audit, or any administrative or compliance policies or procedures or information communicated in this Manual, Participating Pharmacy should contact the following:

Provider relations email address: **PharmacyNetwork@rightwayhealthcare.com**

Provider network fax number: **N/A**

Provider help desk: **888-665-1992**

Provider relations mailing address:

**Rightway Pharmacy Network Relations  
2 Gansevoort Street  
7<sup>th</sup> Floor, Suite 01  
New York, NY 10014**

## 2. Participating Pharmacy Information.

Participating Pharmacy shall ensure that its Provider Information (including a complete list of Participating Pharmacy locations, including addresses, phone numbers, hours of operation, related services, NCPDP number, NPI number, license numbers, etc.) is accurate and up to date with Rightway, and shall promptly provide Rightway with written updates thereto. Within five (5) business days of Rightway's request, Participating Pharmacy shall (i) validate in writing to Rightway that the Provider Information on file with Rightway is accurate and complete or (ii) provide in writing updated information to Rightway such that the information on file with Rightway is made accurate and complete, all of which shall be submitted in a format reasonably acceptable to Rightway.

Rightway may rely on the information contained in the National Council of Prescription Drug Plans ("NCPDP") database and the National Plan and Provider Enrollment System ("NPPES") database, including for purposes credentialing, re-credentialing, directories, and payments. Participating Pharmacy shall ensure that all data in the NCPDP and NPPES databases

regarding Participating Pharmacy is accurate and complete (all fields completed), and must notify and submit all changes to NCPDP and NPPES immediately, in order to ensure timely processing. Failure to ensure accurate and complete information regarding Participating Pharmacy in the NCPDP and NPPES databases may result in suspension or termination.

### 3. Credentialing and Re-Credentialing.

Rightway will credential and re-credential Participating Pharmacy to ensure that Participating Pharmacies abide by the criteria established by Rightway as well as governmental regulations and standards. Rightway has the right to determine whether Participating Pharmacy meets and maintains the appropriate credentialing standards to participate as a Participating Pharmacy in Rightway's network(s). Participating Pharmacy will participate in and satisfy credentialing and re-credentialing criteria established by Rightway during the term of the Agreement. Participating Pharmacy shall complete all credentialing and re-credentialing documentation and timely provide to Rightway the documentation related thereto as required by Rightway. In connection with re-credentialing initiatives, which may include the same requirements as initial credentialing, Rightway may also consider (among other things) any Member complaints, quality improvement review studies, utilization management review studies, pharmacy audits, and customer satisfaction surveys.

Without limiting the generality of the foregoing, Participating Pharmacy represents and warrants and agrees that it does and shall continue to meet the following requirements.

**3.1 Licensure.** Participating Pharmacy represents and warrants that it and its pharmacists, technicians, and any other clinical staff have and shall maintain at all times during the term of the Agreement all required licenses, certifications, and/or permits required to provide the services under the Agreement to Members, including but not limited to pharmacy licenses, controlled substance registration, and DEA certification ("Licenses"). All Licenses shall be and remain in good standing and free of disciplinary action and in unrestricted status. Participating Pharmacy shall provide copies of such Licenses, as well as Participating Pharmacy regulatory inspections (i.e., Board of Pharmacy inspection) to Rightway within five (5) business days of Rightway's request. Participating Pharmacy shall promptly notify Rightway in writing of any changes in its License, including, but not limited to, if any License is canceled, revoked, suspended, terminated, or disciplinary action is taken or proposed by any agency responsible for oversight of Participating Pharmacy. Failure to immediately notify Rightway in writing of any such action and/or failure to maintain the required Licenses hereunder may result in immediate termination or suspension and nonpayment of Claims processed during the time of any such non-licensure.

**3.2 Government Exclusions.** Providers and their employees, contractors, and agents sanctioned by the General Services Administration (GSA), the Office of Inspector General (OIG), or other applicable regulatory body, who are not eligible to participate in Medicare, Medicaid, or other federal or state health care programs are not eligible to participate in any Rightway network or to provide Covered Pharmacy Services hereunder.

Participating Pharmacy represents and warrants that it, its employees, contractors, and agents who will be administering or providing services in connection with the Agreement have not been excluded from participation in federal or state health care programs and are not the subject of any pending exclusion proceedings. In the event Participating Pharmacy or its employees, contractors, or agents administering or providing services in connection with the Agreement is charged with a crime relating to healthcare or is facing a proposed debarment, exclusion, or other similar adverse action, Participating Pharmacy shall immediately remove any such entity or individual from responsibility for, or involvement in, administering or providing services to Rightway under the Agreement and shall take appropriate corrective actions. Participating Pharmacy will promptly notify Rightway in writing if it or any of its employees, contractors, and agents administering or providing services in connection with the Agreement becomes excluded from participation in a federal or state health care program. Exclusion from participation in a federal or state health care programs and/or failure to immediately notify Rightway in writing of any such exclusion will result in immediate termination and nonpayment of Claims processed during the time of such exclusion.

**3.3 Liability Insurance.** Participating Pharmacy will maintain premises and professional liability insurance in coverage amounts appropriate for the size and nature of Participating Pharmacy's facility and health care activities, and in compliance with Laws, but which in no case shall be less than \$1,000,000 per occurrence and \$3,000,000 in aggregate. If the coverage is claims made or reporting, Participating Pharmacy agrees to purchase similar "tail" coverage upon termination of the Participating Pharmacy's present or subsequent policy. Participating Pharmacy will deliver copies of such insurance policy(ies) to Rightway within five (5) business days of a written request by Rightway. Participating Pharmacy will deliver advance written notice fifteen (15) business days before any change, reduction, cancellation, or termination of such insurance coverage. The foregoing provisions of this section will survive termination of the Agreement.

Participating Pharmacy will immediately notify Rightway in writing if its insurance is canceled, suspended, or otherwise terminated. Failure to promptly notify Rightway in writing of any such cancellation, termination, or suspension of insurance coverage and/or failure to maintain the required insurance coverage hereunder may result in immediate termination or suspension and nonpayment of Claims.

**3.4 Malpractice and Other Actions.** Participating Pharmacy represents and warrants that it does not have and has not had in the past five (5) years: (i) a malpractice claim asserted against it, a payment made by or on behalf of Participating Pharmacy in settlement or compromise of such a claim, or a payment made by or on behalf of Participating Pharmacy pursuant to a judgment rendered upon such a claim; (ii) a criminal investigation or proceeding against Participating Pharmacy; and/or (iii) a conviction of Participating Pharmacy for crimes involving moral turpitude or felonies ("Legal Actions"). Participating Pharmacy will give prompt written notice to Rightway of any Legal Actions now or in the future. Failure to promptly notify Rightway in writing of any such Legal Actions and/or the occurrence of a Legal Action may result in immediate termination or suspension and nonpayment of Claims.

**3.5 Medicaid Provider Number.** Participating Pharmacy represents and warrants that it will not provide services to Medicaid Members hereunder unless and until it has provided a Medicaid Provider Number to Rightway, in which case Participating Pharmacy shall maintain at all times during the term of the Agreement such Medicaid Provider Number (in good standing and free of disciplinary action and in unrestricted status) as required by Law to provide services under the Agreement to Medicaid Members. Participating Pharmacy shall provide copies of such Medicaid Provider Number certification to Rightway within five (5) business days of Rightway's request. Participating Pharmacy will promptly notify Rightway in writing of any changes in its Medicaid Provider Number licensure status, including, but not limited to, if it is canceled, revoked, suspended, terminated, or disciplinary action is taken or proposed by a regulatory agency against such Medicaid Provider Number. Failure to immediately notify Rightway in writing of any such action and/or failure to maintain the required Medicaid Provider Number hereunder may result in immediate termination or suspension from the network and nonpayment of Claims.

**3.6 Primary Source Verification.** Participating Pharmacy acknowledges and agrees that its information may be searched through public databases and information sources to verify its Provider Information and credentialing/re-credentialing information, including various federal and state databases, data available through disciplinary and licensing boards and court systems, through insurance companies, regulator exclusion lists, etc. Participating Pharmacy consents to the inspection and release of all Provider Information by Rightway and authorizes anyone in possession of Provider Information and/or other information or documentation required by Rightway for evaluation of Participating Pharmacy's credentialing and re-credentialing, including qualifications and competence, to release such information to Rightway for use in its credentialing and re-credentialing activities. Rightway's right to conduct this primary source verification does not limit or reduce Participating Pharmacy's obligations hereunder to timely report and update such information to Rightway as set forth herein.

**3.7 Onsite Reviews.** Participating Pharmacy acknowledges and agrees that Rightway or its designee may schedule an onsite visit or may show up unannounced at Participating Pharmacy location to verify information provided in connection with the credentialing and re-credentialing processes, and to ensure that Participating Pharmacy continues to meet Rightway's standards, including safety, cleanliness, patient confidentiality, access standards, etc.

**3.8 Prior Participation or Application.** Participating Pharmacy acknowledges and agrees Participating Pharmacy shall not meet the credentialing requirements and will not be eligible to participate in Rightway's networks for five (5) years post-termination in the event the Agreement is terminated for cause. This section will survive termination of the Agreement.

## 4. Pharmacy Standards.

**4.1 Standard of Care.** Participating Pharmacy agrees to provide Covered Pharmacy Services within the scope of Participating Pharmacy's business and license. Participating



Pharmacy will ensure all services and interactions with Members are at a level of care and competence that equals or exceeds generally accepted and professionally recognized standards of practice, rules, standards of professional conduct, and Laws.

**4.2 Professional Judgment.** Nothing in the Agreement (including this Manual) is intended to limit a pharmacist's professional judgment. Participating Pharmacy and its pharmacists shall exercise sound professional judgment at all times when providing Covered Pharmacy Services to Members. No provision of the Agreement shall be construed to require any pharmacist to dispense any medication or specific type of medication to any Member if, in the pharmacist's reasonable professional judgment, such medication should not be dispensed to such Member. In the event Participating Pharmacy in its professional judgment reasonably believes that the initiation or continuation of any one or more Covered Pharmacy Services to a Member is not warranted by a Member's physical condition, Participating Pharmacy may exercise its reasonable professional judgment to decline the provision of Covered Pharmacy Services to the Member and shall promptly notify the referring physician and Rightway in writing of such decision. If Participating Pharmacy is exercising its professional judgment (which it is required to do under Law), Participating Pharmacy may be subject to liability if it was not a proper exercise of its professional judgment. Participating Pharmacy shall be solely responsible for its professional services rendered.

**4.3 Non-Discrimination.** Participating Pharmacy will not differentiate or discriminate in providing Covered Pharmacy Services because of race, color, religion, national origin, ancestry, age, sex, marital status, sexual orientation, physical, sensory or mental handicap, socioeconomic status, any protected class under applicable Law, and/or participation in publicly financed programs of health care services. Participating Pharmacy will provide Covered Pharmacy Services in the same location, in the same manner, in accordance with the same standards, and within the same time and availability, regardless of Payer.

**4.4 Cultural Competency and Disabilities.** Participating Pharmacy acknowledges and agrees that racial, ethnic, and cultural differences between Participating Pharmacy and Members and Members with disabilities shall not be permitted to present barriers to accessing and receiving quality health care. Without limiting the generality of the foregoing: (i) Participating Pharmacy shall provide Covered Pharmacy Services to Members, including patient counseling, in a culturally competent manner; (ii) Participating Pharmacy shall have resources available to help Members with limited or no English proficiency; and (iii) Participating Pharmacy shall comply with the Payers' cultural competency plans as communicated to the Participating Pharmacy by Rightway on behalf of the Payers. Further, Participating Pharmacy shall ensure that Members with disabilities have effective communications, including ordering capabilities and patient counseling. Participating Pharmacy shall demonstrate consistency in providing quality care across a variety of races, ethnicities, and cultures, as well as disabilities.

**4.5 Relationship between Participating Pharmacy and Members.** The relationship between Participating Pharmacy and Members is that of healthcare provider and patient. Participating Pharmacy shall perform all professional and other services required to be

provided under the Agreement and shall be free to exercise its own professional judgment on all questions of professional practice.

## 5. Pharmacy Services and Operations.

**5.1 Valid Prescription.** Prior to dispensing a Covered Pharmacy Service to a Member, Participating Pharmacy shall ensure that the prescription is valid, dated, and signed by a licensed prescriber.

**5.2 Verification of Member Eligibility.** Prior to dispensing Covered Pharmacy Services or submitting a Claim for Covered Pharmacy Services, Participating Pharmacy shall verify the Member's name, date of birth, allergy, and demographic information (e.g., address, telephone number), and must request the Member's ID Card (the identification card provided to the Member to be presented at Participating Pharmacy indicating that Member may be eligible to receive prescription benefits under a Plan).

Rightway and/or Payers will provide Members with ID Cards. An ID Card may show coverage for the Member only or it may show coverage for the Member and his/her dependent(s). The ID Card in many cases will be designed and produced using NCPDP format, and will contain the Member identification number, the bank identification number (RxBIN), and the group (RxGRP) and/or processor control number (RxPCN). On occasion, Payers may distribute ID Cards that do not include all of the information highlighted above. If required information is missing, Participating Pharmacy should contact the Rightway Help Desk at 888-665-1992.

Participating Pharmacy must utilize the information on the ID Card to submit Claims through the Online Claim System. The ID Card is for identification purposes only and does not guarantee eligibility, coverage, or payment of pharmacy services. As a result, Members' eligibility must be verified through the Online Claim System by Participating Pharmacy.

When a Participating Pharmacy submits a Claim using a Member's eligibility information which does not match the eligibility information available for that Member in the Online Claim System, the Claim will be rejected and the Participating Pharmacy will receive a denial message. Upon receipt of a denial message, Participating Pharmacy must verify eligibility information with the Member to ensure that Participating Pharmacy has the correct information. If correct, Participating Pharmacy is encouraged to contact a customer services representative at Rightway to clarify any discrepancies in eligibility information. Until the discrepancies are corrected, the Member's Claims will continue to reject. Moreover, Participating Pharmacy should advise the Member to contact and inform their Plan of the incorrect eligibility information and request that the information be corrected.

Participating Pharmacy will not be paid for rendering Covered Pharmacy Services to a Member whose eligibility was not correctly verified.

**5.3 Dispensing.** Participating Pharmacy shall dispense Covered Pharmacy Services (including where appropriate and required, a temporary supply of Covered Pharmacy

Service(s)), in accordance with the prescription order, the Agreement, the Plan (including the utilization management restrictions associated with the applicable formulary), all applicable Laws, manufacturer recommendations, and the standards of professional conduct and practice prevailing in the community, and in a culturally competent manner.

**5.4 Participating Pharmacy-Member Communication.** Rightway encourages open Participating Pharmacy-Member communication regarding medical necessity, appropriate treatment, and care. Participating Pharmacy is free to communicate all treatment options to Members regardless of limitations on Covered Pharmacy Services.

**5.5 Pharmacist Access.** Member must have access to a pharmacy-employed pharmacist twenty-four (24) hours a day, seven (7) days a week via phone, pager, or answering service/machine.

**5.6 Vaccine Administration.** Not all Plans cover vaccines or all vaccines depending on Plan coverage rules. In the event vaccines are a Covered Pharmacy Service for a Member, Participating Pharmacy may dispense and administer vaccines to the extent permitted by Law and the applicable Plan. Participating Pharmacy shall submit Claims for such vaccine dispensing and administration through the Online Claim System as a single Claim in accordance with the Claims Submission section of this Manual. Participating Pharmacy will abide by all applicable Laws in accordance with the delivery of vaccine services.

**5.7 Coordination of Benefits (“COB”).** Participating Pharmacy shall ask Members to identify all sources of coverage for the Covered Pharmacy Service (e.g., all sources of insurance or benefits), including requesting the Member’s most current coverage information from all sources. Participating Pharmacy is responsible for coordinating benefits with health insurance organizations and/or issuers in the event a Member has coverage under more than one insurance or plan of any type and shall bill the appropriate plan(s). Participating Pharmacy shall submit COB claims through the Online Claim System in accordance with the Claim Submission section of this Manual and in compliance with applicable Law. In no case is Participating Pharmacy entitled to more than the amount a primary payer would be required to pay. Amounts paid to Participating Pharmacy on a COB claim may be reduced by the amounts paid or due by other insurers or payers. In the event a Payer is a secondary payer, the Online Claim System may direct Participating Pharmacy to submit the Claim to the primary payer. Secondary claims may not be accepted online. In that event, Participating Pharmacy shall contact Rightway directly for further instructions concerning submission of the Claim.

**5.8 Fills and Refills.** Participating Pharmacy shall fill and refill Covered Pharmacy Services only when there is a valid prescription order and then in accordance with Law, Plan requirements, and the Agreement. Participating Pharmacy shall not process a fill or refill for a prescription for a Member unless and until such fill or refill has been requested or authorized by the Member. Participating Pharmacy shall maintain documentation of such request/authorization by the Member. Without limiting the generality of the foregoing, this requirement shall apply regardless of whether the prescription order was received by Participating Pharmacy from the Member or by a transfer of the prescription order from

another provider – both the transferring pharmacy and the receiving pharmacy are responsible for ensuring such authorizations are obtained and for maintaining such documentation. For avoidance of doubt, failure to obtain and maintain such documentation shall be grounds for nonpayment of the Claim(s), suspension, and/or termination.

**5.9 Drug Products.** All drug products utilized in providing Covered Pharmacy Services to Members must be in compliance with applicable Laws, including those of the Federal Food and Drug Administration (“**FDA**”). Participating Pharmacy shall adhere to appropriate quality controls to prevent the dispensing of counterfeit prescription drugs and drugs illegally imported from foreign countries and shall guarantee distribution channel integrity.

**5.10 Drug Recalls.** Participating Pharmacy shall have and adhere to a reliable product recall policy and procedure.

**5.11 Drug Inventory.** Participating Pharmacy shall use best efforts to maintain an adequate supply of drugs, devices, supplies, equipment, and other items to provide Covered Pharmacy Services.

**5.12 Facilities, Equipment, and Personnel.** Participating Pharmacy’s facilities, equipment, personnel, and administrative services will be at a level and quality necessary to perform Participating Pharmacy’s duties and responsibilities under the Agreement and to comply with Laws.

**5.13 Subcontractors.** Participating Pharmacy shall not subcontract for another pharmacy to perform pharmacy services hereunder.

**5.14 Offshore Operations.** Participating Pharmacy shall not perform or subcontract any activities under or in connection with the Agreement at a location outside of the United States or one of the United States territories without the prior written approval of Rightway.

## 6. Clinical Programs and Services.

Participating Pharmacy shall support all clinical programs and services of Rightway and Plans, including providing Rightway any and all reasonably available information that Rightway requires to perform such clinical programs and services hereunder. Without limiting the generality of the foregoing, Participating Pharmacy agrees as follows:

**6.1 DUR and Patient Counseling.** Inappropriate drug therapy can cause Member injury and/or death and can lead to additional health care costs. In an effort to reduce the number of situations where a Member may receive inappropriate drug therapy, Rightway provides a concurrent drug utilization review (“**DUR**”) program that detects potential therapeutic issues and/or drug interaction at the point of sale, and through the Online Claim System electronically alerts the Participating Pharmacy of such potential therapeutic issues or drug interactions. When dispensing a Covered Pharmacy Service, Participating Pharmacy

shall: (i) provide appropriate drug product consultation and counseling; (ii) obtain and respond to all processing messages sent via the Online Claim System; (iii) review and consider all DUR messages sent via the Online Claim System (Participating Pharmacy shall not block or restrict DUR messages from being received for review at the point of sale); and (iv) use its independent professional judgment in responding to such DUR messages. Participating Pharmacy acknowledges and agrees: (a) that the usefulness of DUR and other formulary information provided via the Online Claim System is necessarily limited by the amount of patient information input into the Online Claim System as a result of Claims processing and the thoroughness and accuracy of industry information and information provided by third parties; (b) DUR messages and formulary information are intended as an aid to, and not a substitute for, the knowledge, expertise, skill, and judgment of prescribers, Participating Pharmacy, pharmacists, and other health care professionals; (c) Participating Pharmacy, pharmacists, prescribers, and other health care professionals are responsible for acting or not acting upon DUR information generated and transmitted via the Online Claim System; (d) Rightway does not control the health care decisions made or actions taken by Participating Pharmacy, pharmacists, prescribers, other health care professionals, or Members; (e) the DUR messages and formulary information may not contain all currently available information on health care or pharmaceutical practices; (f) Rightway is not responsible for failing to include information in a DUR message or in formulary detail, for the actions or omissions of contributors of information for the DUR messages, or for misstatements or inaccuracies in industry materials utilized for DUR messages; and (g) all warranty disclaimers and exclusions made by contributors of information or data shall apply hereunder.

**6.2 Prior Authorization.** For some Plans, certain medications, excessive quantities, excessive days' supply, and/or unusually high cost medications may require a prior authorization. If a medication is designated for prior authorization, the Claim will reject with an associated message sent to Participating Pharmacy via the Online Claim System, indicating that prior authorization is required. The Online Claim System response may include the online retransmission instructions and the appropriate contact information in the subsequent message. When prior authorization is required, the prescriber is required to supply additional documentation to Rightway and/or the Payer to determine whether certain criteria are met for the drug to be covered under the Plan. Where commercially reasonable, Participating Pharmacy shall assist in expediting the process by contacting the prescriber to inform the prescriber that prior authorization is required. If the prescriber feels the drug is medically necessary, the prescriber will need to call the number listed in the messaging to initiate a determination of coverage. Participating Pharmacy may contact the Rightway Member Help Desk at **888-665-1992** for information about the Member's Plan, how to contact the Plan administrator in connection with the prior authorization, and for assistance at the point of sale in obtaining the prior authorization number code. Participating Pharmacy shall follow-up with prior authorizations to help ensure continuous uninterrupted therapy. In the event a prior authorization is denied, Participating Pharmacy shall assist in providing educational information and support to Members and prescribers.

**6.3 Generic Dispensing.** Participating Pharmacy shall dispense a Generic Drug to the extent permitted by the prescription, consistent with the applicable Member's formulary, and not otherwise prohibited by Law or the professional judgment of the dispensing pharmacist. Participating Pharmacy shall participate in Rightway and/or Plan generic programs and shall use commercially reasonable efforts to fulfill such generic programs. Participating Pharmacy shall stock a sufficient amount of Generic Drugs coinciding with the practice of local prescribers and the Rightway and/or Plan formulary(ies) or their preferred drug lists. When a multisource brand medication is dispensed, Participating Pharmacy shall submit the correct "dispense as written" code as set forth in the section of this Manual entitled Product Selection (Dispensed as Written) Codes and Descriptions.

**6.4 Formulary Support.** Participating Pharmacy must support all formulary initiatives and inform Members when a non-formulary drug has been prescribed and use its best efforts to contact the prescribing physician to encourage formulary compliance. In no case is Participating Pharmacy permitted to engage in or actively support activities that are contrary to Rightway's formulary or prohibited by Law. The final choice of specific drug selection for a Member rests solely with the prescribing physician.

**6.5 REMS Program.** In the event that a Covered Pharmacy Services is approved by the FDA subject to a risk evaluation and mitigation strategy (REMS), Participating Pharmacy agrees to comply with the approved REMS (including all pre and post dispensing requirements and ensuring that Participating Pharmacy has a valid prescription in compliance with the REMS) and provide evidence of such compliance within five (5) business days of Rightway's request.

## 7. Quality Assurance and Member Safety.

**7.1 Pharmacy Quality Assurance.** Participating Pharmacy shall maintain an internal quality assurance program.

**7.2 Rightway Quality Improvement and Member Safety Programs.** Participating Pharmacy shall provide reasonable support to Rightway in connection with Rightway's quality improvement and/or Member safety programs. Without limiting the generality of the foregoing, Participating Pharmacy shall provide reasonable support to Rightway to ensure that the most common safety issues affecting Members can be addressed in a timely fashion, thus reducing the safety risks to which a Member is exposed.

**7.3 Dispensing Errors.** Participating Pharmacy shall have, implement, and maintain policies and procedures to notify patients and/or caregivers and prescribers of significant dispensing errors of clinical significance with respect to Members under the Agreement, provide patient follow-up as needed, implement a corrective action plan, and adhere to the following reporting requirements:

- Participating Pharmacy shall track and report annually any adverse reactions/medication errors experienced by a Member, including the classification



of the medications errors according to severity and type of error via a Medication Errors Safety Log.

- Any medication errors resulting in hospitalization, death, or permanent damage to a body part should be reported to Rightway as soon as possible (but not to exceed 10 days after becoming aware of the situation) via a Medication Error Incident Report.

Participating Pharmacy shall provide the Medication Errors Safety Log and Medication Error Incident Report to Rightway on a monthly basis. Rightway may investigate significant medication errors of Member Pharmacy, and Participating Pharmacy shall fully cooperate in such investigation. Rightway may contact the patient/caregiver to ascertain Member's condition and his/her awareness of the medication error.

## 8. Claim Submission.

**8.1 Submitting a Claim.** Participating Pharmacy is required to submit Claims electronically through the Online Claim System for all Covered Pharmacy Services provided to any Member. This requirement applies whether or not any additional amounts are owed to Participating Pharmacy over the amount paid by the Member (e.g., zero-balance claims). This assists with DUR efforts and is subject to audit by Rightway. If for any reason the Online Claim System is not available, Participating Pharmacy shall contact Rightway for further instructions concerning submission of the Claim.

**8.2 Transmission Capabilities.** Participating Pharmacy shall provide and maintain at its expense the equipment, software, and communications network transmission capabilities necessary to submit Claims and to receive Online Claim System processing messages, including DUR messages and formulary information, from Rightway or its designee. Participating Pharmacy shall comply with all applicable requirements governing the privacy, security, and protection of data while in its custody or control or while being transmitted to Rightway. The telecommunications interface equipment and all other systems used by Participating Pharmacy shall be the responsibility of Participating Pharmacy and shall meet the minimum standards set by Rightway from time to time, and as otherwise required by applicable Law, including HIPAA. Participating Pharmacy is responsible for any claims processing fees through claims switch processors.

**8.3 Time for Submission.** To the extent practical, Claims must be submitted at the time of dispensing, but in no event shall Claims be submitted later than fourteen (14) days from the date of dispensing, or such shorter or longer period required by Law. Failure to submit a Claim within fourteen (14) days from the date of dispensing, unless otherwise permitted by Rightway or by Law, may result in nonpayment of the Claim.

**8.4 Required Submission Format.** Participating Pharmacy shall transmit all Claims in accordance with the most current NCPDP specifications and requirements and such other format requirements required by Law.

**8.5 Required Information.** Participating Pharmacy shall submit all required information for the Claim through the Online Claim System, including: the Member's identification number, quantity of the product dispensed (meaning the exact quantity dispensed as a metric quantity without rounding using the current version NCPDP compatible software); the days' supply dispensed (meaning the number of consecutive days' supply the prescription product will last based on the prescriber's exact written directions); Participating Pharmacy's NCPDP, provider, and NPI number; the eleven (11) digit NDC of the actual bottle size, package size, or container from which the product was dispensed from Participating Pharmacy's stock; the correct DAW code in accordance with NCPDP specifications; the valid prescriber's NPI number; and tax amounts (if any) for the product dispensed. If the prescriber's NPI is not available, another non-NPI identifier such as the prescriber's DEA number or the prescriber's state license number, as permitted by Law, shall be submitted.

**8.6 Product Selection (Dispense as Written) Codes and Descriptions.** Participating Pharmacy must submit an accurate product selection (Dispense as Written) code ("DAW code"), in accordance with NCPDP specifications. DAW code submissions may change the calculation of the Claims adjudication depending on Plan specifications. Failure to submit a correct DAW code shall be grounds for reversal or nonpayment of the Claim(s), suspension, and/or termination. In addition, Participating Pharmacy will be liable for any miscalculations and/or adjustments resulting from incorrect submission of a DAW code. The following must be followed in selecting the appropriate DAW code:

*0 – No Product Selection Indicated:* This is the field default value appropriately used for prescriptions where selection is not an issue. Examples include prescriptions written for single source brand products and prescriptions written using the generic name and a generic product is dispensed.

*1 – Substitution Not Allowed by Prescriber:* This value is used when the prescriber indicates, in a manner specified by prevailing Law, that the product is to be "Dispensed as Written".

*2 – Substitution Allowed – Patient Requested Product Dispensed:* This value is used when the prescriber has indicated, in a manner specified by prevailing Law, that generic substitution is permitted and the patient requests the brand product. This situation can occur when the prescriber writes the prescription using either the brand or generic name, and the product is available from multiple sources.

*3 – Substitution Allowed – Pharmacist Selected Product Dispensed:* This value is used when the prescriber has indicated, in a manner specified by prevailing Law, that generic substitution is permitted and the pharmacist determines that the brand product should be dispensed. This can occur when the prescriber writes the prescription using either the brand or generic name, and the product is available from multiple sources.



*4 – Substitution Allowed – Generic Drug Not in Stock:* This value is used when the prescriber has indicated, in a manner specified by prevailing Law, that generic substitution is permitted and the brand product is dispensed since a currently marketed generic is not stocked in the pharmacy. This situation exists due to the buying habits of the pharmacist, not because of the unavailability of the generic product in the market place.

*5 – Substitution Allowed – Brand Drug Dispensed as Generic:* This value is used when the prescriber has indicated, in a manner specified by prevailing Law, that generic substitution is permitted, and the pharmacist is utilizing the brand product as the generic entity.

*6 – Override:* This value is used by various Claims processors in very specific instances, as defined by the Claims processors and/or its client(s).

*7 – Substitution Not Allowed – Brand Drug Mandated By Law:* This value is used when the prescriber has indicated, in a manner specified by prevailing Law, that generic substitution is permitted, but prevailing Law or regulation prohibits the substitution of a brand product even though generic versions of the product may be available in the marketplace.

*8 – Substitution Allowed – Generic Drug Not Available in Marketplace:* This value is used when the prescriber has indicated, in a manner specified by prevailing Law, that generic substitution is permitted and the brand product is dispensed since the generic is not currently manufactured, distributed or is temporarily unavailable.

*9 – Other:* This value is reversed and currently not in use. NCPDP does not recommend use of this value at the present time. Please contact NCPDP if you intend to use this value.

**8.7 Accurate Claim Submission.** Each Claim submitted by Participating Pharmacy will constitute a representation by Participating Pharmacy to Rightway that the Claim was supported by a valid prescription, that the Covered Pharmacy Service was provided to the Member, and that all information transmitted in the Claim is accurate and complete.

**8.8 Reversing a Claim.** In the event that a Covered Pharmacy Service is not received by a Member, Participating Pharmacy shall electronically submit a Claim reversal through the Online Claim System within the same payment cycle in which the Claim was originally submitted.

**8.9 Rejected Claims.** Rejected Claims may be resubmitted in the same manner as the original Claim with corrected information. Some of the most common reasons for rejected Claims include the following:

*Reject Code/Rejection Message*

07 – Missing/Invalid Cardholder ID

- 09 – Missing/Invalid Date of Birth
- 19 – Missing/Invalid Days' Supply
- 68 – Filled After Coverage Expired
- 70 – Product/Service Not Covered
- 75 – Prior Authorization Required
- 79 – Refill Too Soon

Some Plans may allow Members to secure an early refill of Covered Pharmacy Services under certain circumstances (e.g., vacation overrides, spilled or lost medications). If the Claim rejects as an early refill or exceeds plan limitations, Participating Pharmacy shall contact Rightway Help Desk at **888-665-1992** for coverage verification. If the Plan allows for an early refill under the particular circumstances, the representative from the call center will issue the appropriate prior authorization number so that the Claim can be processed.

**8.10 Partial Fill Transaction Claims.** Partial fill Claims occur when a Participating Pharmacy attempts to fill a prescription and determines that there is not enough of the Covered Pharmacy Service in stock to provide the entire prescribed quantity/days' supply. Rightway will not accept partial fill Claims from Participating Pharmacy except as otherwise required by Law.

**8.11 Compound Claims.** Participating Pharmacy is prohibited from submitting Claims for Compounds without a valid prescription. Evidence that Participating Pharmacy is manufacturing Compounds without a valid prescription will be cause for reversal and/or nonpayment of applicable Claim(s), suspension, and/or termination. Covered Pharmacy Services which are Compounds must be submitted to Rightway using the NDC of the most expensive legend drug. Compounds must contain at least one ingredient that is a legend drug, the compound indicator field must indicate that the Claim is for a Compound, and the appropriate fields in the Compound segment must be completed. Covered Compounds are paid in accordance with a Participating Pharmacy's submitted Claim information and subject to any contractual, Plan, and network benefit design. If an excluded or non-PDL agent is included in the Compound, the Claim will reject for "invalid compound" and shall be subject to prior authorization.

**8.12 E-Prescribing.** Participating Pharmacy shall support and comply with all electronic prescription standards, requirements, and guidance adopted by CMS, the federal Drug Enforcement Administration, and other federal and state government agencies, and as otherwise required by Law, as may be amended from time to time. Without limiting the generality of the foregoing, in addition, Participating Pharmacy shall ensure that all electronic prescription Claims include Participating Pharmacy's and the prescribers' NPIs (if the prescriber's NPI is not available, another non-NPI identifier such as the prescriber's DEA number or the prescriber's state license number, as permitted by state Law, must be included).

Also, Participating Pharmacy shall use NCPDP Telecommunication Standard Version D.0 Field 419 DJ – Prescription Origin Code so that the source of origin for prescriptions filled can be identified and reported.

**8.13 Taxes.** If any taxes, assessments, and/or similar fees (“**taxes**”) are imposed on Participating Pharmacy by a governmental authority based on Participating Pharmacy’s provision of Covered Pharmacy Services to Members, Participating Pharmacy shall submit with each Claim for payment, and in compliance with the transactions standards required by Law, the amount of such taxes, which Participating Pharmacy is required by Law to pass on to Plans. In order to be reimbursed for the payment of tax, Participating Pharmacy must transmit the applicable tax amount allowed by Law through the Online Claim System in the correct amount and in the appropriate field on the Claim submission. In no event does this give Participating Pharmacy any additional or different rights than those allowed by Law. Participating Pharmacy shall remain solely responsible for payment to the appropriate governmental authorities of all taxes related to the Covered Pharmacy Services provided by Participating Pharmacy under the Agreement. In no event shall Rightway be liable for any such taxes or the determination of the existence or amount of such taxes.

## 9. Payment Terms and Conditions.

**9.1 Collection of Member Copayments.** Plans determine the Copayment amount which Participating Pharmacy is required to collect from a Member for Covered Pharmacy Services at the point of sale, which will vary by Payer and/or Plan. Unless otherwise directed by Rightway in writing, Participating Pharmacy shall collect from Members the Copayment amount as indicated in the Online Claim System. Participating Pharmacy shall accept personal checks, cashier checks, and credit cards as well as other standard methods of payment from Members. Participating Pharmacy shall not waive, discount, reduce, or increase the Copayment amount specified in the Online Claim System. If Rightway determines that Participating Pharmacy has charged or collected from a Member an amount in excess of the Copayment amount specified by the Online Claim System: (i) Participating Pharmacy shall promptly reimburse the Member for the excess amount upon Rightway’s request; or (ii) Rightway may offset such amounts from amounts otherwise owed to Participating Pharmacy.

**9.2 Claims Payments.** Subject to Section 3.2 (Compensation) of the Agreement and after deducting the applicable amounts Participating Pharmacy is required to collect from Members, Participating Pharmacy’s compensation shall be the lesser of: (i) the ingredient cost and dispensing fee submitted by Participating Pharmacy; (ii) applicable discount rates and Dispensing Fees specified within the Fee Schedule; (iii) the Participating Pharmacy’s U&C; and (iv) if applicable, lesser of the amount set forth in the applicable government fee schedule or government allowed amount. Participating Pharmacy accepts such amount as payment in full for Covered Pharmacy Services rendered to Members in accordance with the Agreement. Participating Pharmacy’s failure to comply with the terms and conditions of the Agreement may result in nonpayment to Participating Pharmacy.

**9.3 Remittance Advice.** With each payment to Participating Pharmacy, Rightway will supply Participating Pharmacy with a report showing the record of all Claims submitted, processed, and paid in each processing cycle after the close of each payment cycle ("**Remittance Advice**"). The Remittance Advice may be distributed by mail, posted on the Rightway website, or presented by other electronic means. If Participating Pharmacy is receiving Remittance Advice electronically, Participating Pharmacy shall adhere to HIPAA regulations, including ASCX-12N 835 and updates as required. Participating Pharmacies with questions regarding the testing, creation, and receipt of the 835 data file should contact Rightway at **888-665-1992** or by sending an e-mail to PharmacyNetwork@rightwayhealthcare.com.

**9.4 Objection to Payment, Under Payment, Deductions, and Charges.** Participating Pharmacy shall notify Rightway in writing of any alleged error, miscalculation, discrepancy, or basis for challenging the correctness or accuracy of any remittances, Claims (whether paid, denied, rejected, reversed, or otherwise), deductions, recoupments, offsets, charges, fees, and/or tax amounts within thirty (30) calendar days after any remittance advice, invoice, notice, or other report is sent to or made available to Participating Pharmacy, except as otherwise required by Law. Written objection must be timely submitted to Rightway, along with sufficient documentation to support Participating Pharmacy's challenge. If Participating Pharmacy fails to notify Rightway of its objection as required herein, Participating Pharmacy will be deemed to have confirmed the accuracy of the Claims, deductions, recoupments, offsets, charges, fees, and tax amounts as set forth in the remittance advice, invoice, notice, or other report for that cycle. Thus, all Claims, deductions, recoupments, offsets, charges, fees, and tax amounts will be final as to Participating Pharmacy on the thirtieth (30th) calendar day following the date the remittance advice, invoice, notice, or other report is sent or made available to Participating Pharmacy, and will not be subject to challenge thereafter by Participating Pharmacy. This section does not apply with respect to any overpayments made to Participating Pharmacy.

**9.5 Amounts Due From Participating Pharmacy and Offset Rights.** Rightway shall have the right to invoice or deduct amounts due by Participating Pharmacy to Rightway, Payer, Plan, and/or Members hereunder, including service transaction fees, overpayments, penalties, and/or other fees, charges, or payments of any kind provided for under the Agreement from amounts otherwise payable to Participating Pharmacy hereunder. In the event of an invoice sent by Rightway, Participating Pharmacy shall pay such invoice amounts within thirty (30) days of receipt of the invoice or as otherwise specified in the Agreement. In the event of a deduction, Rightway may offset from amounts due Participating Pharmacy all amounts due hereunder. Participating Pharmacy agrees not to attempt to affect an accord or satisfaction through a payment instrument or accompanying written communication, and Participating Pharmacy further agrees not to conditionally or restrictedly endorse any payment instrument. In either case, Rightway shall not be bound by any such attempt or endorsement. For avoidance of doubt, Participating Pharmacy acknowledges and agrees that with respect to certain Claims (e.g., discount card), Rightway shall have the right to invoice or deduct/offset from amounts otherwise payable to Participating Pharmacy under the Agreement amounts

paid by Members in excess of the amounts due hereunder. Failure of Participating Pharmacy to pay amounts due under the Agreement is grounds for suspension and/or termination.

**9.6 Payment Reversals, Withholds, Suspensions.** Rightway may reverse, withhold, and/or suspend payment due hereunder: (i) as directed by Medicare, Medicaid, other governmental entity, or Payer; (ii) in cases where there is reasonable suspicion of fraud, waste, abuse, or misrepresentation and/or suspicious Claims activity; (iii) prescriber denies having written a prescription in connection with a Claim submitted by Participating Pharmacy; and/or (iv) Member reports that he/she did not authorize the fill or refill by Participating Pharmacy. In such cases, the Claim amounts shall not become due and owing hereunder until: (a) such amounts are allowed to be paid by Medicare, Medicaid, other governmental entity, or Payer; (b) the suspicion of fraud, waste, abuse, or misrepresentation and/or suspicious Claims activity has been fully resolved by Rightway and or a tribunal of competent jurisdiction with the determination of no fraud, waste, abuse, or misrepresentation; (iii) the prescriber denial and/or Member denial/report has been fully resolved to Rightway's satisfaction or by a tribunal of competent jurisdiction. This section will survive termination of the Agreement.

**9.7 Penalties.** To the extent Rightway and/or Payers incur penalties or other charges that result from Participating Pharmacy's actions, inactions, or other failure to comply with the Agreement and/or applicable Laws, Participating Pharmacy shall immediately owe and pay any such penalties and other charges imposed upon Rightway and/or Payers upon notice from Rightway. This section will survive termination of the Agreement.

**9.8 Member Hold Harmless.** Participating Pharmacy agrees that in no event, including, but not limited to, nonpayment, insolvency, or breach of the Agreement by Rightway, will Participating Pharmacy bill, charge, collect a deposit from, seek remuneration or reimbursement from, or have any recourse against a Member, or person acting on Member's behalf, for Covered Pharmacy Services provided pursuant to the Agreement. This does not prohibit Participating Pharmacy from collecting amounts specified in the Online Claim System as the Member Copayment. This section will survive termination of the Agreement, regardless of the reason for the termination, including insolvency of Rightway and Payers.

**9.9 Consumer Discount Card Programs/Unfunded Business.** As applicable and to the extent that Participating Pharmacy is a participant in a consumer discount card/unfunded business network, Rightway will communicate to Participating Pharmacy via the Online Claim System the discounted amount to collect from the Member ("**Member Discount**"). The Member Discount may be more than the contracted rate owing to Participating Pharmacy and may vary from the AWP discount, MAC, or dispensing fee owed to Participating Pharmacy. Participating Pharmacy agrees to collect from the Member at the point of sale the full Member Discount amount indicated by the Online Claim System. Rightway may withhold from other payments due to Participating Pharmacy under the Agreement or may invoice Participating Pharmacy for the difference in the Participating Pharmacy contracted rate hereunder and the Member Discount. Member Discount will not exceed Participating Pharmacy's U&C. In no event will Participating Pharmacy charge a Member more than the lower of the Participating Pharmacy's U&C or the Member Discount.

**9.10 90 Day Supply/Extended Day Supply.** Participating Pharmacy shall not take actions to circumvent rate commitments to avoid deeper discounted rate commitments on extended day supplies. If a prescriber has written a prescription order for an extended day supply (e.g., ninety (90) day supply), the Member's Plan covers an extended day supply of the Covered Pharmacy Service, and Participating Pharmacy has agreed to an extended day supply rate(s), Participating Pharmacy shall dispense and submit the Claim for the amount prescribed by the prescriber. In the event the foregoing conditions apply and Participating Pharmacy dispenses and submits the Claim for an amount less than the amount prescribed, such Claim may be deemed a discrepant Claim and/or shall be subject to the extended day supply rates agreed to with Participating Pharmacy.

## 10. Documentation and Records.

This section will survive the termination of the Agreement.

**10.1 Documentation To Be Retained.** Participating Pharmacy must maintain accurate, complete, up-to-date, and otherwise in conformance with generally accepted standards and good pharmacy practice, documents and Records related to the Agreement, including but not limited to credentialing, the submission of Claims, and the provision of Covered Pharmacy Services to Members. Such documents and Records include, but are not limited to:

- Pharmacy licensure
- Original prescriptions, which must include: Full name of the patient for whom the prescription was written by the prescriber and the address at which the patient resides; Full name, address, and telephone number of the prescriber; Name, quantity, and strength of the medication prescribed; Specific dosage directions; Generic substitution instructions (if applicable); Notation when patient requests that a multisource brand medication be dispensed; Refill instructions; Miscellaneous or other information as required in accordance with applicable Law(s); Prescription hard copies for insulin and diabetic supplies must contain complete documentation of items, quantities dispensed, and directions for use
- Signature and/or electronic tracking logs
- Daily prescription logs
- Wholesaler, manufacturer, and distributor invoices, proof of invoice payment, and pedigrees
- Documentation of any transfer of prescription inventory between Participating Pharmacy locations
- Fill and refill information, including Member authorization or consent for filling prescription



- Documentation noting reason for refilling a prescription early (e.g., lost prescription, therapy change, vacation supply, etc.)
- Documentation noting reason for dispensing less than amount prescribed
- Prescriber information
- Patient profiles/prescriber orders
- Proof of collection of Copayment from Member or proof that Copayment was not collected based on Member's financial need when required by Law
- Documentation of Member's request for a multi-source brand medication
- When a prescription refill is transferred between two pharmacies, both pharmacies must record the transaction; the receiving pharmacy must record the identity and location of the sending pharmacy, the date of the original prescription, and the original prescription number; the sending pharmacy must record the date of transfer, the identity and location of the receiving pharmacy, and all other information required by Law
- For Compound Claims, the Compound recipe worksheet, which must identify the Compound formula, the NDC, name, and metric quantity of each medication/ingredient used to prepare the Compound, along with all other information required by Law
- Documentation of any changes or additions to the original prescription, including but not limited to revisions to the medication's strength, daily dosage, quantity of medication prescribed, refill authorization, or generic substitution instructions, including the date and name of the person at the prescriber's office who authorized the change
- Quality assurance plans and dispensing procedures
- Member consent forms associated with the dispensing or administration of vaccines and vaccine administration records
- For Medicare Part B Covered Pharmacy Services permitted to be dispensed under a Medicare Plan, the Member's diagnosis must be documented on the prescription
- For Covered Pharmacy Services dispensed to a Member in a long term care facility, the level of service (skilled nursing, assisted living facility, etc.) provided to the Member must be documented
- For Medicare Part D Covered Pharmacy Services dispensed to a home infusion patient, the date the Member was discharged from the hospital or other acute care facility must be documented

**10.2 Time Period of Retention and Accessibility.** Participating Pharmacy must maintain such documents and records in a readily obtainable location for a period of six (6) years, or such longer period required by applicable Law, from the date of Claim submission or service or such longer period as required by Law. Participating Pharmacy understands that it is subject to various record retention requirements set forth by Law including, but not limited to, State Board of Pharmacy requirements relative to discontinuance of business, change of ownership, and acquisition of new business. Participating Pharmacy agrees to abide by and assumes all responsibility and liability for its failure to comply with any such requirements related to the retention of documents and records pertaining to the provision of Covered Pharmacy Services to Members. This section will survive termination of the Agreement.

**10.3 Missing Prescription Records/Documentation and Prescriber Denials.** In the event Participating Pharmacy is unable to provide a copy of a prescription order to support a Claim, the only documentation that will be accepted to support the Claim is an original letter on the prescriber's letterhead or on the prescriber's prescription form that includes all information needed on a valid prescription (including specific directions). In the event a prescriber denies having written a prescription order provided by Participating Pharmacy in support of a Claim, the only documentation that will be accepted to support that Claim is an original letter on the prescriber's letterhead attesting that the prescriber was in error when he/she denied having written the prescription and attesting to the prescription written/provided. Participating Pharmacy generated documentation (e.g., Participating Pharmacy written letters, Participating Pharmacy written telephone prescriptions, Participating Pharmacy generated faxed refill requests) will not be accepted when a Participating Pharmacy has been unable to provide a copy of a prescription order at the time of the request and/or when a prescriber has denied writing the prescription order. Failure to have and maintain prescription order documentation shall be grounds for reversal and/or nonpayment of the Claim(s), suspension, and/or termination.

## 11. Audit Policy.

This section will survive termination of the Agreement.

**11.1 Audit Rights.** Upon reasonable prior notice to Participating Pharmacy, during the term of the Agreement and for six (6) years following expiration or termination of the Agreement for any reason, or such longer period as required by applicable Law, Rightway or its authorized agent, shall have the right to audit, inspect, review, and verify any and all documents and Records relating to the Agreement and any Claim or other transaction made or required to be made under the Agreement, whether approved, denied, or reversed, and whether paid or payable by Participating Pharmacy to Rightway or by Rightway to Participating Pharmacy. Rightway will be entitled to obtain and make copies of any documents or Records or part thereof, for the purposes of carrying out the review or audit, and Participating Pharmacy shall cooperate and extend all reasonable and necessary support to Rightway to facilitate the review or audit. Rightway may appoint an external auditor to conduct any such review or audit on Rightway's behalf.



**11.2 Audit Types.** Without limiting Rightway's rights under Section 11.1 above, Rightway may audit Participating Pharmacy in one or more of the following ways.

- *Telephone Inquiries.* Rightway may monitor Claims data for reasonableness and potential billing errors on a real time or daily basis. If a discrepancy is found, a representative will contact Participating Pharmacy via telephone to inquire about, validate, and help resolve the discrepancy. Most of these discrepancies can be addressed and validated over the telephone and resolved through a Claim reversal and resubmission.
- *Investigational (Desk-Top) Audits.* In connection with an investigational (desk-top) audit, Participating Pharmacy is contacted via telephone or mail, and asked to provide photocopies of specific documents and records related to Claims submitted by Participating Pharmacy to Rightway during a specified period.
- *On-site Audits.* In connection with an on-site audit, the auditor will notify Participating Pharmacy of a scheduled date and time auditor will be at Participating Pharmacy's location in order to review specific documents and records related to Claims submitted by Participating Pharmacy to Rightway, and generally review operations and other matters related to Participating Pharmacy's compliance with the Agreement and applicable Law.

**11.3 Auditable Documents and Records.** Participating Pharmacy will allow Rightway, Payers, governmental agencies, and/or their representatives or agents access to examine, audit, and copy any and all documents and Records deemed necessary by the auditor to determine compliance with the terms of the Agreement. Documents and Records must be readily accessible. Participating Pharmacy must give auditors access to examine and copy any and all documents and Records that the auditor deems necessary to determine whether Participating Pharmacy is compliant with the provisions and terms set forth in Agreement. Such documents and Records may include, but are not limited to, all documents set forth in the Documentation and Records Section of this Manual as well as Section 2.5 (Record Retention) of the Agreement..

**11.4 Audit Access.** Upon reasonable prior notice to Participating Pharmacy, during regular business hours, Participating Pharmacy shall provide auditors with reasonable access to Participating Pharmacy's pharmacy premises and all required documentation and Records, and must make available to the auditor a clutter free work area, located away from the busiest area of the pharmacy, but with ease of access to the documents and Records that are required for the audit. If the auditor is denied admission to Participating Pharmacy's premise and/or if Participating Pharmacy does not timely present requested documentation and Records, Rightway may deem 100% of the Claims to be audited as noncompliant, with all such amounts previously paid to Participating Pharmacy for such Claims to be immediately due and owing to Rightway, and which amounts may be deducted from any amounts payable to Participating Pharmacy and/or may be invoiced to Participating Pharmacy. Participating Pharmacy acknowledges and agrees that failure to timely comply with access to the provider facilities, requests for documentation, and/or Records requested by Rightway and/or its authorized agents shall constitute a material breach of the Agreement. Participating Pharmacy must maintain proper staffing on the scheduled audit date to ensure that Participating Pharmacy is reasonably available for questions and the retrieval of information. Participating Pharmacy authorizes the release of information deemed necessary to determine Participating Pharmacy's compliance with the Agreement to appropriate agencies and parties, including

governmental agencies, Payers, wholesalers, professional review organizations, and other such parties as requested by the aforementioned agencies and parties, or by Rightway.

**11.5 Signature Log.** Unless otherwise agreed to in writing by Rightway, Participating Pharmacy shall have and maintain a signature log that contains all information required by Rightway, Payers, and applicable Law, and as otherwise necessary so as to be consistent with industry standards. At a minimum, the information must include the date the prescription was picked up by the Member or his/her representative, the prescription number, and the signature of the Member to whom the prescription was dispensed or his/her representative.

For each Covered Pharmacy Service dispensed to a Member and each Claim adjudicated through the Online Claim System, Participating Pharmacy must obtain the signature of the Member (or his/her authorized representative) on the signature log to record verification that the Covered Pharmacy Service was received, and that the Member (or his/her authorized representative) has read and agrees with the certification statement (NCPDP-approved patient disclaimer).

The signature log must be maintained in date order and readily accessible. Failure to provide a signature log in connection with a Claim submitted to Rightway shall be grounds for reversal and/or nonpayment of the Claim(s), suspension, and/or termination.

For avoidance of doubt, these signature log requirements also apply to Members who are required to pay 100% of the cost of the Covered Pharmacy Service at the point of sale.

**11.6 Wholesaler, Manufacturer, and Distributor Invoices.** Wholesaler, manufacturer, and distributor invoices must be readily accessible to substantiate that the drugs dispensed were purchased from an authorized source. Rightway may request that Participating Pharmacy authorize all of Participating Pharmacy's wholesalers, manufacturers, and distributors to release corresponding purchase invoices to Rightway to facilitate the purchase verification process. Participating Pharmacy must promptly comply with such requests. If Participating Pharmacy fails to promptly provide such authorization, Rightway may deem 100% of the Claims to be audited as noncompliant, with all such amounts previously paid to Participating Pharmacy for such Claims to be immediately due and owing to Rightway, and which amounts may be deducted from any amounts payable to Participating Pharmacy and/or may be invoiced to Participating Pharmacy.

**11.7 Audit Resolution.** If discrepancies are found during an audit, Rightway will send Participating Pharmacy a report listing all of the discrepancies along with documentation guidelines that show how to address a discrepancy and validate the Claims in question. Participating Pharmacy must respond to Rightway in writing within thirty (30) days with proper supporting documentation for the Claims in question. Documentation must be mailed to Rightway via certified mail, Federal Express, United Parcel Service, or any other certified carrier, and must be received by the final due date specified by Rightway.

Any Claims that are not documented and validated in accordance with the Rightway requirements shall become due and owing to Rightway by Participating Pharmacy at the expiration of the 30-day period. In addition, if the total amount of the audit discrepancies exceeds \$2,500, Participating Pharmacy will reimburse Rightway \$250 for the cost of the audit. Any and all such amounts shall become immediately due and owing by Participating Pharmacy to Rightway.

Any such amounts owing to Rightway for discrepant Claims or other charges for noncompliance and audit-related costs may be collected from Participating Pharmacy through Claim adjustments and as otherwise set forth in the section of this Manual entitled Amounts Due From Participating Pharmacy and Offset Rights.

When Rightway collects from Participating Pharmacy amounts due as a result of audit discrepancies, Participating Pharmacy cannot bill, charge, collect a deposit from, seek compensation, remuneration or reimbursement from, or have any recourse against Member, Plan, Payer, or Rightway in relation to such adjustment or collection.

Participating Pharmacy audit results may be considered for purposes of reviewing Participating Pharmacy's compliance with the Agreement and applicable Law in connection with Participating Pharmacy's continuing eligibility to participate in Rightway or individual Plan networks. Participating Pharmacy expressly acknowledges that it has the opportunity to appeal initial audit results during the audit process, and that such appeal right satisfies any contractual or legal right Participating Pharmacy may have to cure prior to termination. Thus, in the event Rightway determines that audit results warrant Participating Pharmacy's termination from any or all networks, to the extent not prohibited by Law, that determination shall be final and Participating Pharmacy's participation in Rightway and/or Plan network(s) may be terminated without any other or further cure period.

Rightway may report its audit findings to Payers, appropriate governmental entities, regulatory agencies, and professional review and audit organizations.

## 12. Advertising/Promotions/Directories.

Participating Pharmacy must not use words, symbols, trademarks, or service marks which Rightway uses, in advertising or promotional materials or otherwise, and Participating Pharmacy must not advertise or publicly display that it is a Participating Pharmacy without the prior written consent of Rightway. To the extent any advertising or promotion is approved by Rightway, Participating Pharmacy must immediately cease any and all usage of such upon termination of the Agreement.

Participating Pharmacy consents to the use by Rightway, Payers, and Plans of Participating Pharmacy's name and other identifying information (i.e., logo, address, telephone number, hours of operation, etc.) for Participating Pharmacy and each of its pharmacy locations, if applicable, in provider directories and databases and/or other miscellaneous publications for marketing and/or administration, including for distribution and use by Members, Plans, prospective members, and governmental authorities. Rightway may specially designate providers that participate in performance initiatives and other preferred arrangement with Rightway and/or Payers in such directories, databases, and/or other miscellaneous publications for marketing and/or administration.

## 13. Court Orders, Subpoenas, or Governmental Requests.

If Rightway receives a court order, subpoena, or governmental request relating to Participating Pharmacy, Rightway may comply with such order, subpoena, or request, and Participating Pharmacy must indemnify and hold harmless Rightway for, from, and against any and all costs (including reasonable attorney's fees and costs) losses, damages, or other expenses Rightway may incur in connection with responding to such order, subpoena, or request.

If Participating Pharmacy receives a court order, subpoena, or governmental request relating to Rightway, Payers, or Plans, Participating Pharmacy shall promptly notify Rightway in writing of such court order, subpoena, or request, unless otherwise prohibited by Law.

This section will survive termination of the Agreement.

## 14. Member Grievances, Complains, and Inquiries.

Participating Pharmacy will participate in good faith and comply with Rightway's member grievance program, and will cooperate with Rightway in identifying, processing, and promptly resolving Member grievances, complaints, and inquiries, including providing Rightway with documentation and information related thereto as it relates to Participating Pharmacy. Participating Pharmacy shall maintain logs of all Member grievances, complaints, and inquiries, including the number, type, substance of grievance/complaint/inquiries, and date of resolution.

## 15. Pharmacy Grievances and Appeals.

In the event Participating Pharmacy has a grievance with Rightway, Participating Pharmacy shall contact the Rightway Help Desk at 888-665-1992, and shall advise the customer service representative that Participating Pharmacy has a grievance. If the customer service representative is unable to resolve the grievance with Participating Pharmacy, Participating Pharmacy can ask to be referred to the manager, who also will make efforts to resolve the grievance. If the manager is unable to resolve the grievance with Participating Pharmacy within five (5) days of the call, Rightway will thereafter provide to Participating Pharmacy a grievance acknowledgement letter, along with a description of the formal grievance procedures. The acknowledgment letter will include a description of the issue, a description of the formal grievance procedure, a description of the appeal procedures, along with relevant time frames. If Participating Pharmacy submits a formal written grievance, upon receipt of the formal written grievance from Participating Pharmacy, Rightway will have thirty (30) days (or such shorter period required by Law) to investigate and inform Participating Pharmacy of the outcome/final decision of the issue ("resolution letter"). The resolution letter will include a description of the appeal procedures and relevant time frames related thereto. If Participating Pharmacy appeals the final decision in the resolution letter, upon receipt of the formal written appeal from Participating Pharmacy, Rightway will conduct a thorough investigation and

provide a letter to Participating Pharmacy, informing Participating Pharmacy of the final decision on the appeal, including a statement of specific medical, clinical, and/or contractual criteria used to make the final appeal decision.

## 16. Compliance Requirements.

**16.1 Fraud and Abuse Reporting.** Participating Pharmacy will comply with Laws related to fraud, waste, and abuse. Participating Pharmacy will establish and maintain policies and procedures for identifying and investigating fraud, waste, and abuse. In the event Participating Pharmacy discovers an occurrence of fraud, waste, or abuse related to the Agreement, Participating Pharmacy will promptly notify Rightway in writing. Participating Pharmacy will participate in investigations conducted by Rightway or by state or federal agencies. Participating Pharmacy acknowledges that Rightway may report potential fraud involving Participating Pharmacy to federal and/or state agencies or their designees. This section will survive termination of the Agreement.

**16.2 Corrective Action Plans.** In the event deficiencies are identified in Participating Pharmacy's compliance with the Agreement, upon Rightway's request, Participating Pharmacy shall provide Rightway with a written corrective action plan acceptable to Rightway within fourteen (14) calendar days. Participating Pharmacy shall immediately implement the corrective action plan and shall provide Rightway with the status of the corrective action plan on a regular basis and upon Rightway's request. Notwithstanding the foregoing, Rightway and state and federal regulators routinely monitor the level, manner, and quality of Covered Pharmacy Services provided as well as Participating Pharmacy's compliance with the Agreement. If a deficiency is identified, Rightway or regulator, in its sole discretion, may choose to issue a corrective action plan to Participating Pharmacy. Participating Pharmacy is required to accept and implement such corrective action plan. Participating Pharmacy is not entitled to a corrective action plan prior to any suspension or termination of the Agreement.

## 17. Suspensions and Terminations.

The following are in addition to the suspension and termination rights set forth elsewhere in the Agreement:

**17.1 No Cause Termination.** To the extent not prohibited by Law, Rightway may terminate the Agreement and/or Participating Pharmacy's participation in any or all Rightway's network(s) upon thirty (30) calendar days' prior written notice to Participating Pharmacy (or such longer time as required by Law).

**17.2 Termination for Default.** If there is a default by Participating Pharmacy in the performance of the terms and conditions of the Agreement, Rightway may terminate the Agreement and/or Participating Pharmacy's participation in any or all Rightway's network(s) upon no less than ten (10) calendar days' prior written notice (or such longer period required by Law); provided, however, that Participating Pharmacy has not cured such default within



such ten (10) day period (or such longer period required by Law). This section shall not be construed to prevent Rightway from seeking injunctive relief, including specific performance, against Participating Pharmacy prior to the expiration of the cure period.

**17.3 Immediate Termination.** Rightway may terminate the Agreement and/or Participating Pharmacy's participation in any or all Rightway's network(s) immediately upon written notice to Participating Pharmacy in the event: (a) Participating Pharmacy breaches any representations or warranties set forth in the Agreement; (b) Participating Pharmacy's loss of professional liability insurance as required hereunder; (c) the indictment or arrest or conviction for a felony or crime of moral turpitude of Participating Pharmacy and/or its officers, owners, or directors; (d) final disciplinary action by a licensing board or other governmental agency or settlement of allegations related thereto; (e) Participating Pharmacy fails to meet the minimum credentialing requirements for participation in Rightway's networks or Plans; (f) Participating Pharmacy fails to meet any licensing or credentialing requirements as defined by any state or federal agency or by any nationally recognized accreditation agency program standards; (g) Participating Pharmacy is placed on the Office of Inspector General's List of Excluded Individuals and Entities, or any similar list maintained by any state or federal agency; (h) the Agreement is assigned in whole or in part to any other person or entity without the prior written approval of Rightway; (i) Participating Pharmacy is acquired by another entity and/or the right to control the operation of the business of Participating Pharmacy is transferred or given to a different person or entity; (j) Participating Pharmacy submits false or fraudulent Claim information; (k) Participating Pharmacy does not submit any Claims to Rightway for a period of twelve months; (l) Rightway has determined in its sole discretion that Participating Pharmacy's continued participation hereunder may result in imminent harm to Members; and/or (m) the filing by or against Participating Pharmacy of any action under the Federal Bankruptcy Act, or any other Law or act regarding insolvency, reorganization, arrangement, or extension for the relief of debtors, including the assignment of assets for the benefit of creditors, and the appointment of a receiver or trustee for transfer or sale of a material portion of Participating Pharmacy's assets.

**17.4 Participating Pharmacy Suspension.** In addition to all other rights and remedies (including termination rights), Rightway may suspend any and/or all obligations of Rightway under and in connection with the Agreement immediately and/or may suspend Participating Pharmacy's participation under the Agreement and/or in any or all network(s) upon written notice to Participating Pharmacy in the event: (a) any one or more of the conditions set forth in the above-section entitled "Immediate Termination" occur; (b) Participating Pharmacy has breached any provision of the Agreement; (b) Rightway or any Payer determines that Participating Pharmacy has submitted suspicious Claims; (c) prescriber denies having written a prescription in connection with a Claim submitted by Participating Pharmacy (regardless of whether or not the Claim is approved); (d) Member reports that he/she did not authorize the fill or refill by Participating Pharmacy; (e) Participating Pharmacy misfills a prescription for a Member; (f) Participating Pharmacy fails to respond to an audit request; (g) Participating Pharmacy fails to timely provide Rightway with documentation requested by or for governmental agencies; and/or (h) Participating Pharmacy is under review for termination by

Rightway and Rightway determines that continuing to allow Participating Pharmacy to provide Covered Pharmacy Services to Members during the review period would pose a risk to Members, Rightway, or Plans. The suspension shall be limited in duration to the time necessary for Rightway to complete its investigation or any pending termination review. These rights and remedies are in addition to any and all other rights and remedies that may be available to Rightway under the Agreement or at Law or equity.

**17.5 Termination by Participating Pharmacy.** The Agreement may be terminated by Participating Pharmacy upon thirty (30) calendar days' prior written notice to Rightway in the event of a material breach of the Agreement by Rightway; provided, however, that Rightway has not cured such material breach within such thirty (30) day period.

**17.6 Transition of Care upon Termination.** In the event of termination of the Agreement or in the event of Participating Pharmacy's termination from a particular network, it is understood and agreed that Participating Pharmacy shall cooperate in the orderly transfer of care of Members including but not limited to, the transfer of prescriptions to another provider upon request.

## 18. PSAO and PSAO Providers.

Pharmacies and other dispensers may delegate contracting responsibility with Rightway to a pharmacy services administration organization ("**PSAO**"). Pharmacies and other dispensers may be affiliated with only one PSAO for contracting purposes at any given time. In the event the contracting entity is a PSAO and PSAO previously entered into a separate affiliation agreement, addendum, or similar document related to the PSAO affiliation, this section shall supersede such prior agreement, addendum, or document.

The following requirements and provisions apply to PSAO and PSAO Providers (defined below):

**18.1 PSAO Provider Information.** PSAO shall electronically provide Rightway with a list of pharmacies for which PSAO is authorized to enter into the Agreement on behalf of such pharmacies ("**PSAO Providers**"). PSAO shall notify Rightway in writing of any additions, deletions, or other changes in the list of PSAO Providers, which such changes shall be made in Rightway's system in accordance with Rightway standard procedures. PSAO and PSAO Providers acknowledge and agree that Provider Information must be provided for each PSAO Provider, including all enrollment and credentialing/re-credentialing forms and documentation, and that PSAO and PSAO Provider shall update such information in accordance with the Participating Pharmacy Information Section and the Credentialing and Re-Credentialing sections of this Manual). In the event PSAO Provider notifies Rightway directly that a PSAO is no longer authorized to bind PSAO Provider or that it has contracted with a different PSAO, Rightway may rely on such information and update its records with, and operate according to, such information in accordance with Rightway standard procedures. PSAO and PSAO Providers acknowledge and agree that if PSAO or PSAO Provider notifies Rightway that PSAO

Provider is no longer affiliated with PSAO, upon Rightway's election, PSAO Provider will continue to provide services under the Agreement for up to ninety (90) days thereafter.

**18.2 PSAO Authority to Bind PSAO Provider.** By entering into the Agreement, PSAO is entering into the Agreement on its own behalf and on behalf of the PSAO Providers. PSAO acknowledges and agrees that all references to "Participating Pharmacy" in the Agreement shall refer to and mean both PSAO and PSAO Providers except that provisions related to the actual provision of pharmacy services to Members and the licensure required thereunder shall not apply to PSAO. PSAO represents and warrants that it has authority to enter into the Agreement on its own behalf and on behalf of PSAO Providers and during the term of the Agreement including all renewals, PSAO shall continue to possess the authority to individually bind each PSAO Provider to the terms and conditions of the Agreement, including all Fee Schedules, addendums, and amendments. PSAO shall provide to Rightway evidence of such authority within five (5) business days of Rightway's request. PSAO Providers shall be deemed to have accepted all terms and conditions of the Agreement. PSAO shall develop, implement, and maintain efficient and accurate procedures for notifying PSAO Providers of their obligations under the Agreement, including any amendments or addenda thereto.

**18.3 PSAO Credentialing/Representations and Warranties.** For avoidance of doubt, PSAO and PSAO Providers acknowledge and agree that each PSAO Provider shall individually comply with the Credentialing and Re-Credentialing section of the Manual and shall timely provide and update the Provider Information, credentialing and re-credentialing documentation, and representations and warranties hereunder (including Provider Type).

**18.4 Payment to PSAO Providers.** PSAO may designate for all amounts due and owing to PSAO Providers under the Agreement to be sent to PSAO (as opposed to individual pharmacies), in which case, PSAO represents and warrants that it has authority to collect such payments due under the Agreement on behalf of PSAO Providers and, for the term of the Agreement and any renewals, shall continue to possess the authority to collect such payments on behalf of the PSAO Providers. Based upon such representation and warranty, Rightway shall send payment to PSAO for all amounts due and owing to all PSAO Providers under the Agreement, less any deductions or setoffs authorized under the Agreement in the aggregate. PSAO and PSAO Providers acknowledge and agree that under this payment arrangement, such payment and deductions/setoffs are across all PSAO Providers in the aggregate, not at the individual PSAO Provider level. In the alternative, PSAO may designate for all amounts due and owing under the Agreement to be paid directly to each PSAO Provider, less any deductions or setoffs authorized under the Agreement.

**18.5 Amounts Owed by PSAO Providers.** Without limiting the foregoing, amounts owed by PSAO Provider may be recouped: (a) directly from the PSAO Provider; (b) from PSAO under which PSAO Provider is then contracted regardless of whether or not the recoupments relate to transactions that occurred while PSAO Provider was contracted with such PSAO; and/or (c) from PSAO under which the transactions related to such recoupments were originally processed regardless of whether or not the PSAO Provider is still contracted with such PSAO.



**18.6 Notice of Audit Findings.** PSAO and PSAO Provider acknowledge and agree that PSAO may be notified of audit finding related to PSAO Providers.

**18.7 Direct Agreement with PSAO Provider.** In the event PSAO Provider enters into a separate agreement with Rightway, Rightway may rely on the direct agreement with such PSAO Provider or the Agreement with PSAO, at Rightway's discretion.

**18.9 Termination of PSAO Provider.** Rightway's rights and remedies apply at both the PSAO and PSAO Provider level. Without limiting the generality of the foregoing, termination or suspension of a PSAO Provider shall not constitute termination or suspension of the Agreement with respect to PSAO unless otherwise specified by Rightway.

**18.10 PSAO Indemnification.** PSAO and PSAO Providers shall indemnify Rightway, Plans, and their respective shareholders, officers, directors, employees, and agents, and their successors, representatives, and assigns thereof, and hold them harmless for, from, and against, any and all liability, loss, damage, settlement, claim, injury, demand, judgment, and expense, including attorneys' fees, arising directly or indirectly from (a) failure of PSAO and PSAO Providers to act in accordance with their agreements with one another; and (b) any dispute between PSAO and PSAO Providers.

## 19. Assignments/Acquisitions.

Participating Pharmacy is required to provide notice thirty (30) calendar days' prior to any effort to assign the Agreement or any of its rights, interests, or obligations hereunder, in whole or in part, to any person or entity. No such assignment will become effective without the prior written approval of Rightway, which approval is in the sole discretion of Rightway. The acquiring person or entity must meet Rightway's credentialing and enrollment standards and may be required to execute a new agreement. For purposes of the Agreement, "assignment" includes any assignment, transfer of assets, or change in control of Participating Pharmacy (including but not limited to those resulting from a merger, consolidation, stock transfer, asset sale, or otherwise), including by operation of law. For purposes of the Agreement, "assignment" also includes any attempt to subcontract any of Participating Pharmacy's obligations or duties under the Agreement to any third party. Any attempted assignment by Participating Pharmacy without the prior written approval of Rightway will be void and of no force and effect. In the event Participating Pharmacy makes a valid assignment to a successor with the prior written approval of Rightway, any successor to ownership or control will be responsible for all liabilities and obligations of its predecessor under the Agreement. In the event Participating Pharmacy is acquired by or merges with another entity that also is contracted with Rightway to participate in Rightway's provider networks, Participating Pharmacy agrees that, at Rightway's election, Participating Pharmacy's participation in Rightway's networks will continue under the Agreement or under the surviving provider's agreement with Rightway, as selected by Rightway.

## 20. Manufacturer Relationships / Rebate Programs.

Participating Pharmacy acknowledges and agrees that Rightway has the right to submit all Claims for Covered Pharmacy Services to pharmaceutical companies and/or rebate intermediaries or aggregators in connection with rebate and any similar programs. Provider shall not submit any Claims for Covered Pharmacy Services to any pharmaceutical company or others for the purpose of receiving any rebate or discount (excluding purchase discounts).

## 21. Deficit Reduction Act Of 2005 / False Claims Acts.

Under the Deficit Reduction Act of 2005, certain entities are required by Law to establish policies and provide information regarding the federal False Claims Act and similar state laws, an employee's right to be protected as a whistleblower, and policies and procedures for detecting and preventing fraud, waste, and abuse in state and federal health care programs ("DRA Policies"). Any contractor, subcontractor, agent, and other person which or who furnishes or otherwise authorizes the furnishing of Medicaid health care items or services, performs billing or coding functions, or is involved in monitoring of health care provided by these entities are required to adopt their DRA Policies, as may be amended from time to time. Rightway will provide or make available to Participating Pharmacy, the DRA Policies. To the extent Participating Pharmacy or any of its employees furnish or otherwise authorize the furnishing of Medicaid health care items or services, perform billing or coding functions, or are involved in monitoring of health care provided by these Rightway or Plans, Participating Pharmacy shall comply with the DRA Policies and shall require its employees and subcontractors (as approved by Rightway) to comply with the DRA Policies.

## 22. Regulatory Addendum.

Inclusion of the Regulatory Addendums herein shall not entitle Participating Pharmacy to participate in networks in which it has not accepted the applicable Fee Schedule and/or from which it has been removed (e.g., Participating Pharmacy removed from Medicare Part D network or a Plan specific network based on audit findings). The Regulatory Addendums may be modified from time to time by Rightway.