LAKE COUNTY BOARD OF COUNTY COMMISSIONERS
AND
WALGREENS HEALTH INITIATIVES
AMENDMENT NO. 1 TO PARTICIPATING EMPLOYER GROUP PHARMACEUTICAL AGREEMENT

This Amendment No. 1 is entered into by and between Healthchoice, Inc. ("HC"), WEB-TPA, Inc. . ("WEB"), Lake County Board of County Commissioners ("Participating Employer Group") and Walgreens Health Initiatives, Inc. ("WHI"), f/k/a WHP Health Initiatives, Inc.

WHEREAS, HC, Employers Mutual, Inc., Participating Employer Group and WHI are parties to that certain Participating Employer Group Pharmaceutical Agreement effective as of October 1, 2002 ("Agreement");

WHEREAS, the parties acknowledge that Employers Mutual, Inc. - now - -references to - WEB-TPA and WEB;

WHEREAS, the parties acknowledge that WHP Health Initiatives, Inc. has changed its name to Walgreens Health Initiatives, Inc. and all references herein to WHP Health Initiatives, Inc. will refer hereafter to Walgreens Health Initiatives and WHI; and

WHEREAS, the parties desire to amend certain of the terms of the Agreement.

NOW, THEREFORE, in consideration of the covenants and agreements set forth herein, Client and WHI agree as follows, effective October 1, 2004, unless otherwise stated herein:

1. Section IX is deleted in its entirety and replaced with the following:

<u>Confidentiality of Member Health Information and Proprietary Business Information.</u>

(a) The parties will maintain the confidentiality of all medical, prescription, and other patient-identifiable health information specifically relating to Members ("Member Health Information") in accordance with all applicable federal and state laws and regulations, including the privacy regulations promulgated under the Health Insurance Portability and Accountability Act of 1996, as may be amended from time to time ("HIPAA"). Participating Employer Group represents and warrants that it is in compliance with all requirements and obligations applicable to Participating Employer Group and its health plan under HIPAA, including but not limited to the requirement to secure written assurances from its "business associates" (as such term is defined in Title 45, Section 160.103, of the Code of Federal Regulations) regarding the protection of Member Health Information. Participating Employer Group acknowledges that WHI, as a business associate of Participating Employer Group (or its health plan), will have access to Member Health Information in order to provide the pharmacy benefit management services described herein and/or perform the obligations undertaken hereunder. Participating Employer Group further acknowledges that Member Health Information may be obtained from and/or distributed to Participating Employer Group, Participating Pharmacies, Participating Mail Service Pharmacies, and/or any other third party in connection with services provided hereunder, including any and all disclosures made by WHI, such as, but not limited to those disclosures (i) made to obtain Manufacturer Incentives, to conduct operational assessments or in

connection with provider audits conducted by WHI or its agents or service providers; and (ii) at Participating Employer Group's request, such as, but not limited to, those made to third party administrators or to a new vendor upon transition of services following termination of this Agreement. Participating Employer Group also acknowledges that WHI intends to make Member Health Information available to (i) the subject Member via its website, using WHI's customized online registration process for each Member; and (ii) Participating Employer Group or other permitted third parties via the Internet or other electronic medium. Participating Employer Group will promptly provide WHI with written notice if it desires to limit any such communications described herein. Participating Employer Group acknowledges that certain management reports, reporting packages, utilization data, prescription claims information and/or clinical or formulary-related programs may contain Member Health Information. Participating Employer Group further acknowledges that (i) its request to WHI to disclose Member Health Information to any third party (i.e. broker, healthcare consultant, and/or third party administrator) constitutes Participating Employer Group's direction and authorization to disclose such information to the third party; and (ii) WHI will disclose such information pursuant to Participating Employer Group's direction until such time as WHI receives written notice from Participating Employer Group to cease further disclosures. In the event of a conflict between the provisions of this Section IX(a) and the provisions of a fully executed business associate agreement between the parties, the fully executed business associate agreement will control.

(b) The parties hereto acknowledge that certain proprietary and/or confidential technical and business information may be disclosed between the parties hereto. Such information may include, without limitation, databases, trade secrets, reporting packages and formats, utilization and management reports, Participating Employer Group specific prescription claims information, manuals, computer programs, software and clinical or formulary-related operations or programs (hereinafter collectively referred to as "Confidential Information"). The parties acknowledge and agree that the value of such Confidential Information may be lost if the receiving party does not maintain the proprietary nature or confidentiality of the information. Accordingly, each party hereto will maintain the confidentiality of all Confidential Information, including, without limitation, implementing those precautions said party employs with respect to its own proprietary and confidential information and disclosing it only to those employees who have a need to know in order to effectuate the purpose(s) of this Agreement, and only after such employees have agreed to be bound by the terms of this Section IX. In no event will either party use any Confidential Information to benefit itself or others, except to the extent expressly authorized by this Agreement. Notwithstanding the foregoing, the obligations of confidentiality shall not apply to any Confidential Information which is or becomes known generally known within the relevant industry (except as a result of a breach by a party hereto of its obligations under this Agreement); or is required to be disclosed by deposition, interrogatory, request for documents, subpoena or court order. Furthermore, the parties acknowledge and agree that the term "Confidential Information" as used in this paragraph shall not include aggregated and/or non-Participating Employer Group specific information that is maintained and/or disclosed by either party in the normal course of their business operations.

(c) In the event that WHI may be party to a broker or consultant arrangement in connection with the services provided hereunder, WHI is solely responsible for any and all fees that may be due such broker or consultant. Further, in conjunction with any such payments, Participating Employer Group acknowledges that WHI may disclose non-Member identifiable health information related to Participating Employer Group's claim volume to such brokers or consultants. This Section IX will survive the termination and/or expiration of this Agreement.

2. Section XV is deleted in its entirety and replaced with the following:

XV. NOTICES.

All notices provided for in this Agreement shall be in writing and shall be delivered either by hand or U.S. mail certified return receipt requested postage prepaid, addressed as indicated below. All notices delivered by U.S. mail shall be deemed to have been received on the fifth day after the date said notice was mailed.

Healthchoice, Inc.
102 W. Pineloch Ave.
Suite 23
Orlando, FL 32806
Attention: Vice President

Walgreens Health Initiatives, Inc.
1417 Lake Cook Road
Deerfield, Illinois 60015
Attention: WHI- Legal (LA)

Lake County Board of County Commissioners
315 W. Main Street
Tavares, FL 32778
Attention: Susan Irby

WEB-TPA, INC.
8500 Freeport Parkway South Ste#400
Irving, Texas 75063
Attention: CEO and Megan Rigby, Director of Business Development

3. The following is inserted after Section XVII:

XVIII. Disclosure of Relationships. Participating Employer Group acknowledges that WHI has business relationships with certain manufacturers to develop products and services, such as clinical initiatives, disease management programs and general population research studies. Participating Employer Group further acknowledges that from time to time, WHI may receive grants or funding from manufacturers to help offset the costs associated with certain services including, but not limited to, non-product specific disease descriptions, patient and physician education materials and treatment information. WHI may also receive funding from manufacturers to help support clinical residency programs that may be under the auspices of an educational institution and in accordance with WHI's approved residency guidelines. Participating Employer Group acknowledges that WHI's business relationships with manufacturers, as described above, are not directly related to Members. In the event such business relationships are deemed related to or associated with Members, Participating Employer Group agrees that such relationships and any funding derived therefrom are not considered rebates and/or Manufacturer Incentives under the terms of this Agreement.

4. Article I. of Attachment A is deleted in its entirety and replaced with the following:

I. RATES FOR SERVICES. The rates set forth in this Article I apply for dispensing and administrative services provided hereunder. Relevant definitions are listed in Article III, below.

A. RATES FOR CLAIMS BY PARTICIPATING PHARMACIES: For each retail pharmacy prescription or refill covered by this Agreement, Participating Employer Group will pay WHI at the rates set forth in this Section I.A, reduced by the applicable copayment fee received:

1. Brand Name Drugs: the lesser of (i) AWP - 16% plus a dispensing fee of $1.90; or (ii) the dispensing Participating Pharmacy's usual retail charge.

2. Generic Drugs: for generic drugs covered by the MAC List: the lesser of (i) the MAC plus a dispensing fee of $1.90; or (ii) the dispensing Participating Pharmacy's usual retail charge; for those generic drugs not covered by or included on the MAC List: the lesser of (i) AWP - 16% plus a dispensing fee of $1.90; or (ii) the dispensing Participating Pharmacy's usual retail charge.

3. Notwithstanding the rates set forth in Paragraphs 1 and 2 of this Section I.A., and for plans requiring Subscriber copayments only, if the total of the discounted Average Wholesale Price or MAC, when applicable, plus the dispensing fee is less than the Subscriber copayment fee, Participating Pharmacy will receive as reimbursement, at a minimum, the lesser of the Subscriber copayment fee or the dispensing Participating Pharmacy's usual and prevailing retail charge.

B. RATES FOR CLAIMS BY ADVANTAGE 90™ PARTICIPATING PHARMACIES FOR 84 OR GREATER DAYS' SUPPLY: Effective January 15, 2005, for each retail pharmacy prescription or refill covered by this Agreement and dispensed at an Advantage 90™ Participating Pharmacy for 84 or greater days' supply, Participating Employer Group will pay WHI at the rates set forth in this Section I.B., reduced by the applicable copayment fee received:

1. Brand Name Drugs: the lesser of (i) AWP - 21% plus a dispensing fee of $0.00; or (ii) the dispensing Participating Pharmacy's usual retail charge.

2. Generic Drugs: for generic drugs covered by the MAC List: the lesser of (i) the MAC plus a dispensing fee of $0.00; or (ii) the dispensing Participating Pharmacy's usual retail charge; for those generic drugs not covered by or included on the MAC List: the lesser of (i) AWP - 50% plus a dispensing fee of $0.00; or (ii) the dispensing Participating Pharmacy's usual retail charge.

3. Notwithstanding the rates set forth in Paragraphs 1 and 2 of this Section I.B. ("Advantage 90™ Rates"), and for plans requiring Member copayments only, if the Advantage 90™ Rate is less than the Member copayment fee, Participating Pharmacy will receive as reimbursement, at a minimum, the lesser of the Member copayment fee or the dispensing Participating Pharmacy's usual retail charge. Notwithstanding the foregoing, however, the Advantage 90™ Rates are subject to a minimum reimbursement to each Participating Pharmacy of $9.99 for each prescription dispensed. This minimum reimbursement amount will be satisfied from the Member copayment, unless such copayment is less than $9.99, in which case Participating Employer Group will be billed and will pay the difference between the copayment and $9.99.

C. RATES FOR CLAIMS BY PARTICIPATING MAIL SERVICE PHARMACY: For each mail service pharmacy prescription or refill covered by this Agreement, Participating Employer Group will pay WHI at the rates set forth in this Section I.C, reduced by the applicable copayment fee received:

1. Brand Name Drugs: AWP - 19% plus a dispensing fee of $0.00.

2. Generic Drugs: AWP - 50% plus a dispensing fee of $0.00.

3. Notwithstanding the rates set forth in Paragraphs 1 and 2 of this Section I.C., and for plans requiring Subscriber copayments only, if the total of the discounted Average Wholesale Price, plus the dispensing fee is less than the Subscriber copayment fee, Participating Mail Service Pharmacy will receive as reimbursement, at a minimum, the required Subscriber copayment fee.

D. ADMINISTRATIVE FEES AND ASSOCIATED COSTS OR CHARGES. For services provided hereunder, Participating Employer Group will pay WHI an administrative fee of $0.25 per transaction. If requested by Participating Employer Group, WHI will provide the following additional services at the rates indicated, provided that such rates are subject to change at any time after the initial term of this Agreement:

Service	Fee	Unit
Prior Authorizations by Participating Employer Group	$1.00	Per authorization
Manual Eligibility Updates	$0.75	Per update
On-line Access to Eligibility Files	$0.00	Per user per month
Clinical Prior Authorization	See Article VII	

Any other additional services may incur additional charges. WHI is not required to supply any additional reports or information unless and until it has been agreed to in writing by both parties.

E. PAYMENTS TO PHARMACIES. Participating Employer Group acknowledges that WHI has contracts with Participating Pharmacies and Participating Mail Service Pharmacy for the provision of, and payment for, prescription drug services provided to Members pursuant to this Agreement at agreed upon reimbursement rates. Participating Employer Group further acknowledges that in certain circumstances there may be a differential between payments made to such pharmacies for prescription drug services provided to Members and the payments received by WHI from the applicable client based upon negotiated pharmacy reimbursement rates.

5. Article III of Attachment A is deleted in its entirety and replaced with the following:

III. DEFINITIONS: As used in this Agreement, "Average Wholesale Price" or "AWP" means the price defined and distributed by First Data Bank for each drug in the database. This price is based on the 11-digit NDC number submitted for the dispensed medication. Such AWP prices will be updated in the claims processing system on at least a weekly basis to reflect current AWP pricing.

As used in this Agreement, "Maximum Allowable Cost List" or "MAC List" means WHI's proprietary list of generic drugs and their associated prices at which Participating Employer Group will pay WHI for dispensing services provided by Participating Pharmacies and the Participating Mail Service Pharmacy hereunder. The MAC List is subject to periodic review and modification by WHI.

6. Article V of Attachment A is deleted in its entirety and replaced with the following:

V. TAXES. Participating Employer Group is solely responsible for payment of any wholesale distributor tax or any other excise or value added tax or governmentally instituted imposition however styled if based upon purchases at wholesale or prescriptions dispensed associated with the provision of prescription services by Participating Pharmacy or Participating Mail Service Pharmacy in connection with this Agreement. Participating Employer Group also will reimburse Participating Pharmacy or Participating Mail Service Pharmacy any applicable federal, state or local sales tax liability or liability for governmental impositions based upon the sales of prescriptions dispensed or goods and services provided by Participating Pharmacy or Participating Mail Service Pharmacy to Participating Employer Group or Members. For the purposes of this Agreement the term "tax" includes any sales tax, imposition, assessment, excise tax or other government levied amount based on Participating Pharmacy or Participating Mail Service Pharmacy's retail sales of prescriptions to Members either on gross revenues or by transaction, whether such tax is designated a sales tax, gross receipts tax, retail occupation tax, value added tax, health care provider tax, transaction privilege tax, assessment, pharmacy user fee, or charge otherwise titled or styled. It includes any tax in existence or hereafter created whether or not the bearer of the tax is the retailer or consumer.

7. Article VI of Attachment A is deleted in its entirety and replaced with the following:

VI. MANUFACTURER INCENTIVES.

A. Participating Employer Group authorizes WHI, as its prescription benefit manager, to perform formulary management and other services described in this Agreement, subject to the following terms and conditions:

(a) Participating Employer Group represents that it has adopted WHI's formulary as part of its prescription benefit plan design and that its benefit plan design in no way prohibits Participating Employer Group from implementing formulary management services performed by WHI, the Participating Pharmacies, or the Participating Mail Service Pharmacy hereunder, such as, but not necessarily limited to, generic or therapeutic prescription drug substitutions and any other measures that may be appropriate to effectuate formulary management. Notwithstanding the foregoing, the parties acknowledge that the prescribing physician has ultimate authority to determine which drug is prescribed to a Member. Participating Employer Group will notify WHI in advance of any benefit plan design changes that may materially affect WHI's ability to perform formulary management and/or other services described in this Agreement. Participating Employer Group may not sell, distribute, or otherwise provide WHI's formulary to any third party without WHI's prior written consent, except that Participating Employer Group will ensure that WHI's formulary is distributed to Members and Members' physicians, either directly or by requiring Members to provide the formulary to their physicians.

(b) Participating Employer Group acknowledges that, as a result of the formulary management services referenced above, WHI may receive rebates or other incentive payments from certain drug

manufacturers or others, either directly or indirectly, in connection with prescription drugs dispensed hereunder and reported by WHI to such manufacturers or others ("Manufacturer Incentives"). Participating Employer Group hereby appoints WHI as Participating Employer Group's exclusive agent, and certifies that WHI is authorized to act on Participating Employer Group's behalf, for the purpose of negotiating and arranging, either directly or indirectly, Manufacturer Incentive opportunities in connection with prescription drugs dispensed to Members under this Agreement. Accordingly, Participating Employer Group:

(i) represents that it has no direct or indirect arrangements, either oral or written, with drug manufacturers or others for rebates, discounts, or other incentive payments on prescription drugs dispensed to Members pursuant to this Agreement and agrees not to enter into any such arrangement during the term of this Agreement; and
(ii) agrees to cooperate fully with WHI and execute any documents in addition to this Agreement that may reasonably be necessary for either WHI or Participating Employer Group to participate in any Manufacturer Incentives arrangements.

(c) Participating Employer Group represents that to the extent funding for the provision of prescription services to Members is received from Medicaid, Medicare, or any other state or federal health care program, such funding is in accordance with the risk or capitation contract provisions of the Social Security Act or comparable state health care programs. In the event circumstances arise in which either Members' drug utilization is required to be reported for manufacturer rebate, discount, or other incentive payment purposes by an entity other than WHI or Members' prescription claims are to be filed for reimbursement with Medicaid, Medicare, or any other state or federal health care program, Participating Employer Group will immediately notify WHI, clearly identifying all involved Members. Participating Employer Group agrees that to the extent WHI has received any Manufacturer Incentives improperly as a result of Participating Employer Group's failure to provide such notice, Participating Employer Group will pay WHI, upon request, the full amount of any Manufacturer Incentives to be refunded and any penalties resulting therefrom.

(d) Participating Employer Group acknowledges and agrees that WHI may retain any and all Manufacturer Incentives received as part of the reasonable compensation for pharmacy benefit management services; provided, however, that WHI will make WHI Payments (as defined in Section VI. B, below) to Participating Employer Group, subject to the terms and conditions set forth in this Attachment A. Participating Employer Group further acknowledges that such reimbursement rates and other service charges set forth in Attachment A reflect the agreed upon compensation due WHI for the services provided. Participating Employer Group is responsible for the disclosure and/or distribution of such amounts to the entity that is ultimately responsible for the payment of pharmacy claims, if not Participating Employer Group. Participating Employer Group understands that in obtaining Manufacturer Incentives or rebates on behalf of its clients, WHI may utilize the services of a claims aggregator where in WHI's judgement as a prescription benefit manager such services may be more advantageous to its clients. To that extent, there may be a fee charged by the claims aggregator for such services, and the Manufacturer Incentives or rebates received by WHI will be reduced by the amount of such claims aggregator fees.

(e) Participating Employer Group acknowledges that the amount of WHI Payments described in Section VI. B, below is based upon the value of Manufacturer Incentives WHI expects to receive as a result of (i) Participating Employer Group's adoption and use of WHI's formulary and any benefit design requirements associated therewith (such as, but not limited to, therapeutic substitution

programs, multi-tiered copay structures, etc.), and (ii) current marketplace conditions, including drug patent status. Accordingly, to the extent WHI determines that any changes to Participating Employer Group's benefit design or the formulary utilized (whether such changes are requested by Participating Employer Group or made by WHI in response to changing marketplace conditions, including drug patent status) may adversely impact the value of Manufacturer Incentives WHI is likely to receive hereunder, WHI will initiate renegotiations with Participating Employer Group of the WHI Payment amount. Notwithstanding anything to the contrary elsewhere in this Agreement, if no agreement can be reached within 30 days, WHI Payments will immediately cease accruing to Participating Employer Group and WHI will have no obligation to continue making WHI Payments thereafter, including any WHI Payments that have accrued, but have not yet been paid.

(f) Notwithstanding any provision herein to the contrary, WHI Payments will immediately cease accruing to Participating Employer Group and Participating Employer Group hereby expressly authorizes WHI to retain any and all WHI Payments that have accrued to such date, upon the occurrence of any of the following:

(i) breach by Participating Employer Group of any obligations set forth in this Agreement;
(ii) termination of this Agreement by either party or receipt by WHI of notice from Participating Employer Group that Participating Employer Group intends to terminate any portion hereof which in WHI's sole discretion may adversely impact the value of Manufacturer Incentives WHI receives hereunder;
(iii) WHI's exercise of its right to terminate any clinical program services, including formulary management, under Article III, above if, in WHI's sole discretion, such termination may adversely impact the value of Manufacturer Incentives WHI receives hereunder; and
(iv) any change in the pharmaceutical industry practices or marketplace conditions that may affect the payment of Manufacturer Incentives.

(g) For those clinical programs that may require certain medical claims information (such as, but not necessarily limited to, retrospective drug utilization review), and subject to Section IX in the main body of this Agreement, Participating Employer Group will provide to WHI and/or its designee all complete and accurate Member-related medical claims and record information that WHI reasonably requests, in a format and time frame mutually acceptable to the parties.

B. In connection with and subject to the terms and conditions of Section VI.A, above, WHI will make payments to Participating Employer Group on a per net paid claim basis ("WHI Payment") based on the services provided under this Agreement, regardless of the amount of Manufacturer Incentives received by WHI. WHI will make such WHI Payments in the amount of $2.20, according to the payment terms set forth below.

C. WHI Payments will be made approximately nine months after the end of the calendar quarter (or portion thereof, when applicable) in which Manufacturer Incentives accrued hereunder. WHI Payments will be made via check or other mutually agreeable method.

8. The recitals set forth above are incorporated herein and made a part of this Amendment. This Amendment is hereby added to and incorporated into the Agreement. The terms and conditions of this Amendment will control in the event of any conflict with the terms and conditions set forth elsewhere in the

Agreement or by subsequent amendment in writing, signed by the parties, except to the extent that such provisions of this Amendment are specifically referred to and amended or superseded by such amendments.

IN WITNESS WHEREOF, the parties have executed this Amendment No. 1 as of the day and year last written below.

HEALTHCHOICE, INC.

BY: _____

TITLE:_____

DATE: _____

WALGREENS HEALTH INITIATIVES, INC.
f/k/a WHP HEALTH INITIATVES, INC.

BY:_____

TITLE:_____

DATE:_____

WEB-TPA, Inc.
-

BY: _____

TITLE: COO

DATE: 03/01/2006

BOARD OF COUNTY COMMISSIONERS
LAKE COUNTY, FLORIDA

_____
Catherine C. Hanson, Chairman

This ____ day of _____, 2006.

ATTEST:

_____
James C. Watkins, Clerk of the
Board of County Commissioners
of Lake County, Florida

Approved as to form and legality:

_____
Sanford A. Minkoff
County Attorney