

## RIDGEWOOD PHARMACEUTICAL CONTRACT - 2016

THIS CONTRACT entered this 5<sup>th</sup> day of December, 2015, by and between Roeschen's Healthcare, LLC d/b/a Omnicare of Milwaukee, 5185 S. Ninth Street, Milwaukee, WI 53221, (hereinafter referred to as "**CONTRACTOR**") and Racine County, Wisconsin, 730 Wisconsin Avenue, Racine, Wisconsin 53403 (hereinafter referred to as "**COUNTY**").

### WITNESSETH:

**FOR GOOD AND VALUABLE CONSIDERATION**, the parties agree as follows:

1. This contract is for:
  - A. Complete pharmaceutical services which are to be provided to residents at Ridgewood Care Center, 3205 Wood Road, Racine, WI 53406;
  - B. Pharmacy Consultation as required under all State Codes including, but not limited to, HSS 132 and all Federal Codes;
  - C. Provision of four (4) fax machines for nursing units;
2. This contract shall be for a term of twelve (12) months beginning January 1, 2016 and ending at midnight, December 31, 2016. with the option to be renewed at the **COUNTY's** discretion for two (2) additional one (1) year periods. Contract renewals are determined solely by the **COUNTY**, are subject to applicable requirements and department authorizations, and are contingent on availability of funds and satisfactory contract performance.
3. **CONTRACTOR** agrees to provide everything required of a pharmaceutical service provider under the Wisconsin Medical Assistance and Federal Medicare Programs.
4. The services to be provided and the obligations of the parties and the rates, charges and fees to be paid by **COUNTY** to **CONTRACTOR** are set forth in Exhibit "A" (referenced as Omnicare Pharmacy) which is attached hereto and incorporated herein by reference.

5. The pricing for Medicare Part A (PPS) residents is set forth in Schedules 4(a) through 4(c) which is attached hereto and incorporated herein.

6. **CONTRACTOR's** employees assigned to Ridgewood shall provide a negative Mantoux TB test or if a previous positive Mantoux, a negative chest x-ray for tuberculosis prior to the first day of work. Results from up to thirty days prior to employment will be accepted. Annual Mantoux re-testing is required of all previously negative employees. **CONTRACTOR** shall provide Ridgewood Care Center with documentation of the TB test results for each employee. **CONTRACTOR** will assure employee testing is procured at the **CONTRACTOR's** expense. If requested by **CONTRACTOR**, Ridgewood Care Center may provide the Mantoux TB test at no charge.

7. **CONTRACTOR's** employees are required to receive an annual flu vaccination as recommended by the CDC. If the contract employees desire, the vaccination will be provided by Ridgewood at no expense to the employee. If the employee is precluded from receiving the influenza vaccine for medical reasons, documentation from the medical doctor must be provided to the facility.

8. The parties agree that they are also executing a Business Associate Agreement which is attached as Exhibit "C" and incorporated hereby by reference.

9. **CONTRACTOR** and **COUNTY** hereby covenant that in performing their respective obligations under this Agreement, they will comply in all material respects with all applicable statutes, regulations, rules, orders, ordinances and other laws of any governmental entity to which this Agreement and the parties' obligations under this Agreement are subject with respect to healthcare regulatory matters (including, without limitation, Sections 1128, 1128A and 1128B(b) of the Social Security Act, as amended, 42 U.S.C. §§ 1320a-7, 1320a-7a and 1320a-7b(b), commonly referred to as the "Medicare and Medicaid Exclusion Statute", the "Civil Money Penalties Statute", and the "Federal Anti-Kickback Statute", respectively, and 31 U.S.C. § 3729, as amended, the statute commonly referred to as the "Federal False Claims Act", and all statutes and regulations related to the possession, distribution, maintenance and documentation of controlled substances) ("Healthcare Laws"). **CONTRACTOR** and **COUNTY** hereby

represent and warrant that, to their best knowledge, no circumstances currently exist which can reasonably be expected to result in a material violation of any Healthcare Law by **CONTRACTOR** or **COUNTY** in connection with, or which can reasonably be expected to affect, their respective performance under this Agreement. **CONTRACTOR** and **COUNTY** hereby certify that they will not violate the Anti-Kickback Statute (42 U.S.C. § 1320a-7b(b) with respect to their performance under this Agreement.

Roeschen's Omnicare Pharmacy

BY:

*[Handwritten signature]*

RACINE COUNTY

BY:

*[Handwritten signature]*

JONATHAN DELAGRAVE  
RACINE COUNTY EXECUTIVE

BY:

*[Handwritten signature]*  
Wendy M. Christensen  
Racine County Clerk

1/2/16

REVIEWED BY FINANCE DIRECTOR

*[Handwritten signature]* 12/10/15  
Sign Date

Date 12.18.15

Certified to be correct as to form

By: *[Handwritten signature]*  
Racine County Corporation Counsel

**I. TERMS AND CONDITIONS**

**A. ENTIRE AGREEMENT**

These Terms and Conditions are hereby incorporated into any final contract or agreement as a result of this RFP except where special requirements are stated elsewhere in the RFP. In such cases, the special requirements shall apply. Further, the written contract with referenced parts and attachments shall constitute the entire agreement and no other terms and conditions in any document, acceptance, or acknowledgement shall be effective or binding unless expressly agreed to in writing by both parties.

**B. CONTRACT TERM**

The successful provider shall execute a contract with Ridgewood Care Center incorporating the terms of this RFP and all or part of the successful provider's proposal. The term of this agreement shall be for one (1) year commencing on April 1, 2015 and terminating on December 31, 2015 with the option to be renewed at Ridgewood Care Center's discretion for three (3) additional one-year terms based on the percentage increases indicated in the proposal.

**C. COUNTY'S RIGHT TO SUSPEND WORK OR TERMINATE CONTRACT**

Ridgewood Care Center shall have the right at any time to terminate or suspend all or any part of the work under this contract or to decrease the amount thereof, and, in such case, the successful provider shall be paid for the work done and materials furnished at the rates fixed hereunder as estimated by the provider and approved by the County; but in any case, Ridgewood shall not be held liable for any cost or profit for work not yet done.

Any negligent act or omission on the part of the successful provider or its employees which meets the criteria of resident abuse or neglect or misappropriation of property as outlined in HSS 132 (or as amended) and/or the Federal code shall be grounds for immediate termination of this contract. Provider's work staff assigned to Ridgewood shall work within the guidelines set forth by appropriate State and Federal statutes.

**D. COMPLETION AND DAMAGES FOR BREACH**

Should Ridgewood receive a Federal or State citation as a result of the successful provider's negligence, any monetary penalties will be paid by provider.

**E. PROVIDER EMPLOYEES**

County reserves the right to disapprove of any provider employee and demand an alternate employee is assigned to Ridgewood premises.

Ridgewood reserves the right to disapprove of any equipment and materials supplied that are necessary to perform the contract and demand an alternate product.

**F. ASSIGNMENT**

The work in this contract shall not be assigned without written permission of Racine County. Racine County must approve any subcontracted providers that are hired by the selected provider.

**G. HOLD HARMLESS**

The selected provider shall indemnify, hold harmless and defend Racine County, its officers, agents, and employee from and against all claims, damages, losses, and expense, including attorneys' fees arising out of or resulting from the performance of the work under the contract.

**H. INSURANCE**

The provider will maintain insurance coverage for Workers' Compensation, General Liability, and Automobile Liability and will provide certificates of insurance to the County upon request.

**I. RESIDENT ABUSE**

Inasmuch as provider's employees are entrusted with the health and welfare of residents of Ridgewood Care Center, any negligent act or omission on the part of provider or its employees which meets the criteria of resident abuse, neglect or misappropriation of property as outlined in 43CFR 483.13(b) (c), HFS 132.43 and HFS 139.11 (or as amended) shall be grounds for immediate termination of the contract. Provider's work staff based at Ridgewood Care Center will work within the guidelines set forth by appropriate state and federal statutes.

**J. INDEPENDENT CONTRACTOR RELATIONSHIP**

It is mutually understood and agreed and it is the intent of the parties that an independent contractor relationship will be established under the terms and conditions of the agreement; that employees of the selected provider are not nor shall be deemed employees of Ridgewood Care Center; and that employees of Ridgewood are not nor shall be deemed to be employees of the selected provider.

**K. INDEPENDENT CONTRACTOR WORK RULES**

In addition to the above-listed requirements, the following shall apply to all of the Contractor's staff assigned to Ridgewood Care Center.

1. Parking: Contractor's staff may use the area designated for Ridgewood employee parking. (NOTE: There is no parking allowed in the reserved/handicapped spaces other than for handicapped visitors.)
2. Deliveries: During the day, all deliveries of medications and supplies will be through the dock door. After 4:00 p.m., Contractor may use front entrance for deliveries.
3. Eating: Contractor's staff may eat in the employee break rooms or the main resident dining room when residents are not dining. Food and beverages are prohibited in any other area of the facility.
4. All applicable safety equipment, rules and procedures shall be used and/or followed.
5. Intoxicants, Drugs and Disorderly Conduct: Contractor's staff may not enter the facility or while in the facility become intoxicated, be under the influence of controlled substances, engage in practical jokes, or act in a disorderly manner. Ridgewood reserves the right to search the equipment, materials and supplies brought on site by the Contractor or its employees.
6. Residents: Contractor's staff will not physically intercede with residents nor discuss residents with other personnel. Any information obtained or learned about Ridgewood residents during the course of work is confidential and, as such, not to be discussed outside the facility.
7. Contractor's staff may not give residents food, beverages, or smoking materials.
8. Smoking is prohibited within Ridgewood and up to 50 feet beyond the building. Any of the Contractor's staff who violates this rule shall be removed from the site and not allowed to return.
9. All of contractor's staff assigned to Ridgewood must wear an identifying nametag and appropriate business attire.

**L. INDEPENDENT CONTRACTOR'S THEFT**

Racine County, its employees and agents, who have probable cause to believe that an employee of provider has taken, carried away, or concealed property belonging to County and/or resident of Ridgewood Care Center with the intent of permanently dispossessing County and/or resident of such property may detain the person in a reasonable manner for a reasonable length of time.

If at any time during the term of this contract, County is reasonably satisfied that employees of provider have taken away or carried away or concealed property belonging to County and/or

resident with the intent to permanently dispossess County and/or resident of such property, County reserves the right to immediately terminate the contract with Provider with the understanding that provider will be compensated on a prorated basis for the number of work days completed for that month up to and including the day of termination of the contract.

Provider agrees to indemnify County and/or resident for the value of any property for which it is established that such property was stolen by an employee of the Provider.

#### M. AFFIRMATIVE ACTION

Racine County is committed to fulfilling its role as an Affirmative Action/Equal Opportunity Employer. We request your vigorous support of our Affirmative Action efforts. Our relationship with your agency is based upon your willingness to accept and comply with Executive Order 11246, as amended, and other federal laws requiring equal employment opportunity without regard to race, religion, color, national origin, sex, disability or veteran status. By signing the Certification of Vendor page, you indicate your acceptance and compliance.

### II. **PRICING AND SERVICES**

Pricing for Pharmacy Products and Services that are provided at the expense of COUNTY (e.g., under the Medicare prospective payment system, capitated managed care arrangements, and Non-Covered medications) ("COUNTY-Pay Products and Services") and House Stock (if any) shall be at the rates specified in Schedule 4(a), Schedule 4(b), and Schedule 4(c) attached hereto.

### III. **SUBMISSION OF PROPOSAL**

#### A. PROPOSAL

Provider shall include the following information in the sequence listed below with each copy of their submitted proposal:

1. Certification of Vendor page on top as page 1. The Certification of Vendor page attached to one submitted proposal should be signed in blue ink and designated as the "original copy".
2. Detailed description of experience, expertise and qualifications for this project as well as length in business.
3. Completed Proposal Form:
  - Sample OTC (over the counter) fee schedule.
  - Proposed PPS formulary and exclusions.
  - Percent increases for contract years two, three and four.
  - Pharmacy consultation service hours and fees.
4. **Medicare Programs Fee Schedules:** Include a fee schedule for Medicare Part A, Evercare and any other Medicare advantage programs including increases for years two, three and four. This schedule shall be explained in detail.
5. **Pharmaceutical Services:**
  - Detailed description of how pharmaceuticals (prescription and over-the-counter medications) will be provided to Ridgewood residents. Be sure to include frequency of fills, billing arrangements, holiday coverage and fills, contingency supply, return policy, etc.
  - Detail how contingency medications would be provided.
  - Describe your infusion therapy program, available services and cost.
  - Include samples of monthly punch-pack system.
  - Describe in detail any additional value added services that will be supplied. Be specific.
6. **Transition Plan:** Describe your transition plan from the previous supplier including the length of time required. (Does not apply to the current supplier.)

7. **Resumes:** Provide the resumes of consultant pharmacists.
8. **Pharmaceutical Experience:** Detail of experience during the last three (3) years in providing total pharmaceutical services to at least five (5) Wisconsin skilled nursing facilities with a minimum combined census of 1000 patients.
9. **References:** Provide references from at least four (4) commercial clients all of which are skilled nursing facilities. (See page 13)

#### **IV. EVALUATION**

##### **A. MANDATORY REQUIREMENTS**

Racine County will review all proposals received by the submission deadline. Replies not conforming to the requirements described above in Section V. SUBMISSION OF PROPOSAL may be rejected.

##### **B. AWARD CRITERIA**

After determining that the proposal satisfies the mandatory requirements as stated in Section VI.A., the comparison of the benefits and deficiencies of each proposal in relationship to the published requirements shall be made by using subjective judgment.

The award of a contract resulting from this RFP shall be based on the following:

1. Provider Qualifications
2. Related Service Experience
3. Key Personnel Qualifications
4. Proposed Fees
5. References

##### **C. CONFERENCE / INTERVIEW**

After an initial screening process, a technical question-and-answer conference or interview may be conducted, if deemed necessary, to clarify or verify the provider's proposal and to develop a comprehensive assessment of the proposal.

#### **EVALUATING PROPOSALS**

##### **A. AWARD CONDITIONS**

The County of Racine, through its duly authorized agents, reserves the right to reject any or all proposals, to waive all technicalities, and to accept the proposal deemed most advantageous to Racine County. All providers, by submission of their respective proposals, agree to abide by the rules, regulations, and procedure of Racine County. Intent to award will not be made and a contract will not be executed until Racine County, at its sole discretion, accepts the proposed Medicare A and/or B rates for covered services negotiated by Racine County.

##### **B. AWARD**

Successful provider will be chosen on the basis of the best interest of Racine County and the residents served. This best interest shall be based on the competence and skill of the provider, experience with the current resident population, and the best financial return to the County.

##### **C. NEGOTIATE**

Racine County reserves the right to negotiate price with successful provider prior to awarding contract and during the contact period.

D. TIED PROPOSALS

If two (2) or more providers submit identical proposals, the decision of the County to make award to one or more of such providers shall be final.

E. NOTICE OF ACCEPTANCE

Written notice of award to provider in the form of a letter and or purchase order will be mailed to the address shown on the proposal and will be considered sufficient notice of acceptance of proposal.



5. **Pharmaceutical Services:**

- Detailed description of how pharmaceuticals (prescription and over-the-counter medications) will be provided to Ridgewood residents. Be sure to include frequency of fills, billing arrangements, holiday coverage and fills, contingency supply, return policy, etc.
- Detail how contingency medications would be provided.
- Describe your infusion therapy program, available services and cost.
- Include samples of monthly punch-pack system.
- Describe in detail any addition value added services that will be supplied. Be specific.

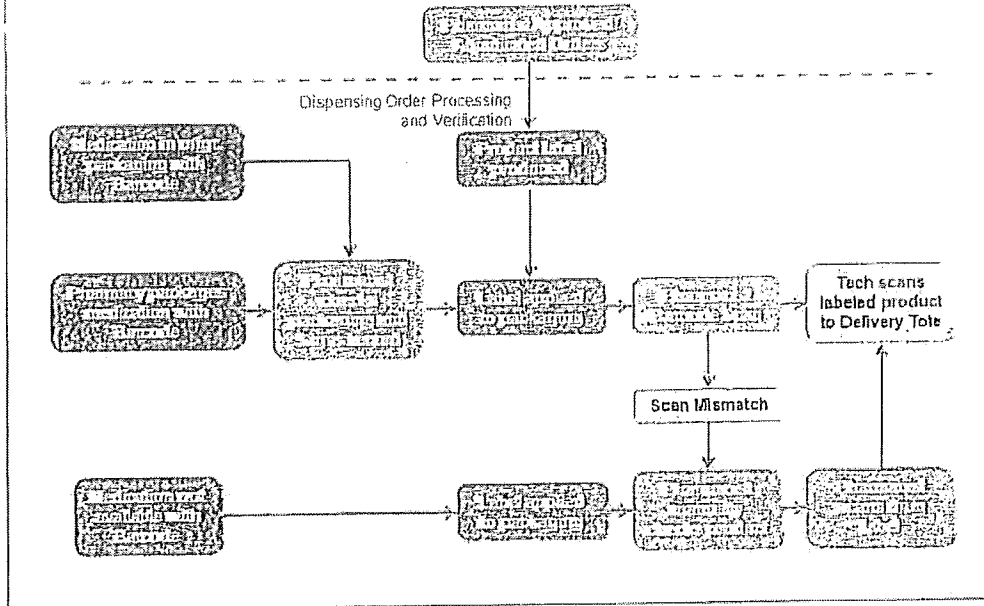
Omnicare complies with this requirement.

### PACKAGING & DISPENSING SYSTEM

While Omnicare can provide a choice of packaging and dispensing systems, for service to Ridgewood Care Center, Omnicare intends to provide a 30-day blister card system that complies with local, state, and federal laws. Please see the sample blister card in Tab 3. This blister card system provides for cost effective, easy to use medication administrations, and Omnicare's 30-day blister card system is considered a unit dose system. This 30-day blister card system ensures accuracy and reduces costs and has been proven to work effectively for facility staff and pharmacy. These blister cards are dispensed with the amount of medication as prescribed by the physician, whether it is a 30-day supply or any amount lesser. Other benefits of the 30-day blister card approach are that such cards may limit the amount of dispensing fees, limit co-pays for Medicare Part D Plans and reduce facility labor costs. Omnicare will utilize the 30-day blister cards for both legend and over-the-counter medications.

Prior to each delivery a pharmacist visually checks these blister cards. The process of dispensing medications includes three steps to ensure accurate and timely delivery; Pharmacist Verification 1 (PV1) ensures that the physician's order is properly entered into the pharmacy's operating system; Pharmacist Verification 2 (PV2) ensures that the medication is dispensed according to the expectations of PV1; During the third step, a shipping clerk reviews all medication packages to ensure that the medication is routed to the facility at which the patient is located. All three steps, and additional functions performed by order entry and dispensing technician staff, are conducted with the clear advantages and reliability of our comprehensive Information Technologies Platform. Consistent with our commitment to employ technology in our dispensing systems, bar coding plays a significant role in all Omnicare, Inc. subsidiary pharmacies. Each delivery is segregated based on facility needs and accompanied by a packing list detailing the items delivered. See the chart below which illustrates Omnicare's pharmacist verification process.

## Current Dispensing Process



Dispensing quantities of prescription medications shall not exceed a thirty (30) day supply, unless specifically requested by the ordering clinician.

The blister card filling system allows Ridgewood Care Center staff to administer the medication on a daily basis. In the instances when the orders are for dispensing medications outside of the everyday administration (i.e., every-other-day, one each week, etc.), Omnicare will fill the blister card with the correct number of doses and the staff will refer to the MAR to see which days the dose is to be administered.

The blister cards are delivered in a secured tote. All eligible medications will be cycle-filled. All controlled substance medications are filled on-demand and are delivered in sealed bags with special delivery manifests.

Blister card procedure:

- Preparation and packaging of all medications will be performed by a pharmacy technician and supervised by a registered pharmacist and will be performed in accordance with all applicable State and Federal Laws and Regulations.
- All blister cards are labeled according to all applicable laws and regulations and include patient name, name of drug (both generic and trade name including tall-man lettering),

- dosage amount, lot number, expiration date, manufacturer name, physician name, pharmacist's initials, precautions, and time of administration.
- All blister cards will have a tamper evidence closure and will be sealed to prevent moisture or other factors from interfering with the therapeutic value of the medications.
  - Omnicare will provide medications packaged in lesser amounts of time (i.e., 10 days) for medications requiring a shorter course of treatment.
  - Controlled substances will be packaged in 30-day blister cards containing the number of doses to be determined by Ridgewood Care Center staff.

Controlled substances that require refrigeration will be maintained in a secure container in the refrigerator at Ridgewood Care Center.

Omicare's narcotic practices abide by and follow all required state and federal laws, rules and regulations pertaining to the dispensing of controlled substances and narcotic medications.

### INFUSION SERVICES

Omicare will also provide custom mixed I.V. Therapies that are centrally or peripherally infused or are administered through implanted venous access devices. The preparations will be compounded by the registered pharmacist under a laminar air-flow hood. Preparations are to be mixed on a daily basis. Labeling will comply with Joint Commission standards. Infusion medications and all related infusion services, including nursing services, are available 24/7/365, including all weekends and holidays.



To meet Ridgewood Care Center's intravenous therapy service needs, Omnicare employs a fully trained team to dispense and consult regarding the aseptically prepared intravenous medication and parenteral nutrition. Intravenous therapy and product services are subject to the terms and conditions in accordance with any applicable federal, state or local laws, rules and/or regulations.

Intravenous therapy is a complex science requiring the precision and knowledge of trained pharmacists, nurses and technicians. Omnicare's comprehensive IV Therapy Program is the result of combining years of experience in Long Term Care dispensing and consulting, while applying Joint Commission Home Infusion Therapy Standards, International Nursing Standards ("INS") and long term care standards. We believe in a team approach to Infusion Therapy which

includes the IV Pharmacist, IV nurse, Physician, resident and your facility staff. The synergies resulting from our team approach assist in creating positive outcomes and provide for a well-trained facility staff which is comfortable with the intricacies of Infusion Therapy.

Omnicare will provide Ridgewood Care Center with intravenous solutions, medications, clinical expertise and related services consistent with the facility patient's plan of care and physician's orders. This service will be provided in an accurate and timely basis.

Omnicare's Infusion Therapy services meet and exceed these expectations as demonstrated below:

- Omnicare will provide onsite infusion medications, supplies and emergency infusion stock.
- Items used from emergency stock will be billed to your facility.
- Products are labeled according to federal, state and local laws, rules and regulations as well as professional standards.
- Omnicare will provide an Infusion Therapy Policy and Procedure manual for facility use. The manual is based on INS standards. Also, complete manuals for infusion pumps and therapeutic protocols are available.
- Infusion pumps (stationary and ambulatory) are provided as stock or can be sent with the Infusion Therapy order.
- Each patient has an individualized infusion clinical profile which includes initial pharmacist assessment and reassessment. Monitoring of critical elements such as allergies, drug interactions, lab values, drug levels and pharmacokinetic dosing recommendations occurs on a routine basis through our computer system and professional expertise and review. Because of these steps, Omnicare has demonstrated improved patient outcomes.
- Omnicare can provide your facility with all intravenous solutions, medications, supplies, clinical expertise and related services consistent with the patient's plan of care and physician orders. This service will be provided in accordance with any applicable federal, state or local laws, rules and/or regulations. These services will be provided in an accurate and timely basis.
- Our IV staff is also available 24 hours per day, 7 days per week, 365 days per year, including all weekends and holidays.
- Additional infusion services Omnicare will provide include:
  - Parenteral Nutrition
  - Antibiotic therapy (parenteral)
  - Anti-infective therapy (parenteral/aerosol-e.g. pentamidine)
  - Chemotherapy
  - Pain Management (parenteral)
  - Inotropic Therapy (dobutamine, dopamine)
  - Anticoagulant Therapy (parenteral)
  - Catheter Care
  - Immunotherapy
  - Hydration Therapy
  - Pharmacokinetic Dosing for improved outcome and decreased cost
  - IV pre-intake screening tools
  - IV pharmacist education for facility and physicians
  - IV support for support of IV access
  - IV support for IV access placement

- o Onsite IV nurse training programs including midline IV access line 24-hour bags to decrease facility staffing requirements.
- o In cooperation with the Medical Director for your facility, Omnicare will maintain an emergency kit. We will work with your facility's staff to identify appropriate medications to be kept on site.
- Omnicare compounds intravenous medications/parenteral nutrition in a fully compliant USP Chapter 797 environment.
- Omnicare is certified by the National Association of Boards of Pharmacy which has standards that meet and exceed those of other certifying agencies.

Our IV and IV-related service, including TPN, is provided on the same schedule as all of our other pharmacy services. These orders will be provided as part of our regular daily deliveries to your facility.

Please see Tab 2 for our infusion and infusion-related service pricing.

### ORDERING & RE-ORDERING

#### Ordering

Figures 1 and 2 below detail the process of how the pharmacy receives orders and processes orders. Figure 1 depicts the steps in the process prior to dispensing. Figure 2 depicts the steps involved with dispensing and verification of the accuracy of dispensing.

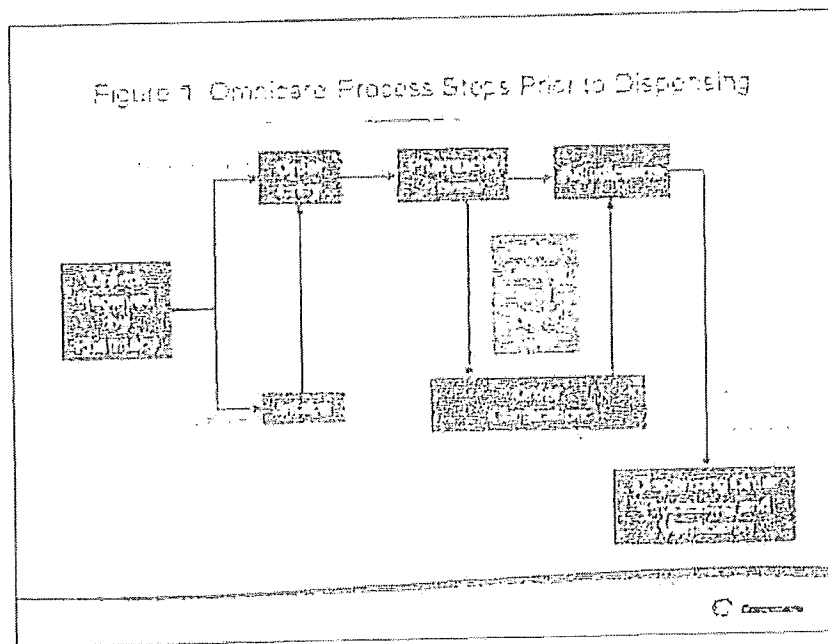
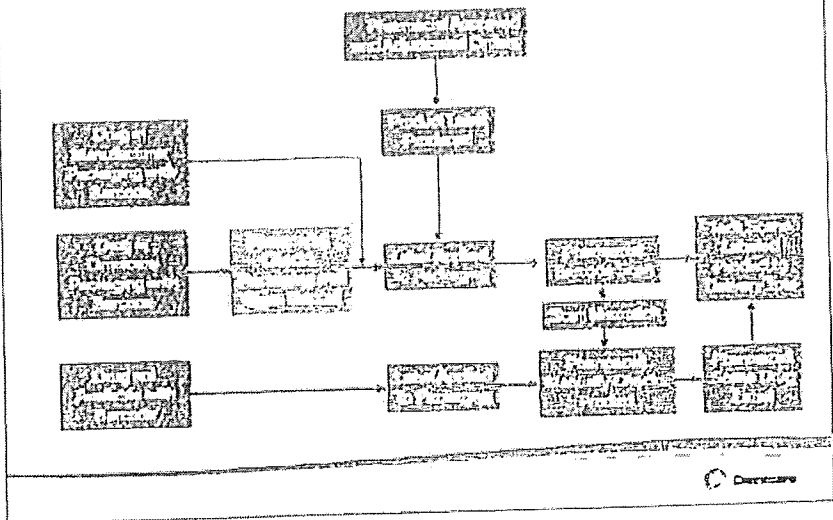


Figure 2: Omnivore Dispart to Order Processing and Notification



Upon delivery of drug orders by Pharmacy, the Facility nurse or other designee on behalf of Facility should sign the delivery manifest (may be electronic signature if permitted by Applicable Law), note the time of arrival, and take responsibility for the receipt, proper storage and distribution of the delivered medications. Copies of manifests or packing slips may be retained for reference for a period to be determined by Facility or Facility policy. Controlled substances may be delivered in separate delivery containers with separate packing slips/manifests, and may only be delivered to a licensed Facility staff member.

Reorder Processes:

- a. Electronic orders ("e-Refill")
  - Authorized Facility staff may use Omniview to electronically reorder resident medications. Omnivore provides a barcode scanner to each nursing station to facilitate the Omniview refill process.
    - Facility staff access to Omniview is restricted by assigned user identification and passwords as authorized by facility administration
    - Authorized facility staff may re-order medications using an electronic list of residents and medications due or by use of barcode technology
      - Facility staff may select needed refills orders from a list of residents and medications due for refill
      - Facility staff may use a barcode scanner to read prescription numbers from the labels of orders they wish to reorder and transmit them electronically to Pharmacy
    - Facility staff may review the transmitted re-orders for status and potential issues and Pharmacy response
    - Omniview will indicate if the re-order is confirmed or if Pharmacy follow-up is required

- If Omniview indicates that Pharmacy follow-up is required, Pharmacy will contact Facility
- b. Written Orders  
Reorders can be written and submitted on the Refill Order Form
- c. Verbal Orders  
Refill orders can be submitted verbally. Facility is encouraged to follow verbal orders with a faxed copy to the pharmacy.
- d. Facsimile Orders Reorders can be faxed to Pharmacy, if permitted by Applicable Law, on the Refill Order Form

### GENERIC DISPENSING

It is Omnicare's policy to substitute generic drugs when available unless directed by the physician to "Dispense as Written." Omnicare is prepared to work on an ongoing basis with Ridgewood Care Center staff and the medical director to be certain formulary medications are clinically suitable and represent the lowest cost alternative to Ridgewood Care Center. Omnicare will utilize generics with at least an AB rating and the manufacturer will remain consistent whenever possible.

Every year, numerous brand-named medications are moved to generic availability. In Omnicare's ongoing efforts to provide the most cost-efficient mechanism for prescription delivery, Omnicare can generically substitute these new generic items, whenever possible, within 7-10 days from that brand-named medication becoming generically available.

### LEAVE OF ABSENCE MEDICATIONS

Omnicare will provide Leave of Absence medications in conventional properly-labeled prescription containers, generally within 48 hours.

- Any tablets and capsules requested for Leave of Absence cannot be returned for credit.
- "Bulk" (liquids, creams, etc.) are sent from resident's facility stock.
- Pharmacy consultation may be obtained by the patient or family member by telephoning the pharmacy.

### DELIVERIES

Routine Pharmacy delivery will be made to Ridgewood Care Center two times daily (Monday through Friday), and once daily on all weekends and holidays, on a regular schedule that will be mutually agreed upon after collaboration with Ridgewood Care Center staff. All STAT and emergency deliveries will be in addition to our regular / routine deliveries. Omnicare's experienced delivery team can and will make deliveries to multiple locations within one campus as well as multiple drops within a particular facility.

Upon delivery, all totes will contain a delivery receipt which will be reviewed and signed by authorized staff. Our delivery agent will request signatures for the following documents:

- All delivery receipts for non-controlled substances. A staff signature indicates a delivery container was received into the facility.
- All delivery receipts for controlled substances. A staff signature indicates that the specific controlled medication, form, strength and quantity was received by the authorized staff, who signs the delivery receipt.
- Signature sheets for Emergency/STAT deliveries. Emergency deliveries will be done in response to the emergency needs of the patient.

Omnicare maintains all medication in the proper manufacturer's recommended environmental climate control levels. Refrigerated medications are delivered in insulated containers with cold packs to keep them at the required temperatures. These insulated packs are placed within the delivery container and signed for by staff as part of the delivery.

All delivery receipts will contain information on any back-ordered medications. If for some reason through all of our efforts we are unable to provide a medication, the back order will appear on the delivery receipt and will be delivered as soon as the medication is available. If the medication delay will be for longer than two days, our pharmacist will contact facility staff to work out an alternative therapy.

Emergency Pharmacy delivery is in response to the emergency needs of the patient. Emergency deliveries occur during non-business hours, or during business hours when medications are needed before the next scheduled delivery as determined by the patient's need. As a pharmacy which never closes and operates 24/7/365, Omnicare will respond to all STAT orders within 4 hours or less upon receiving verbal notification from facility staff. For STAT orders of controlled substances, orders may take beyond four hours due to the legal requirements of dispensing these types of medications. Because we never close, Omnicare isn't forced to utilize a system which relies upon on-call pharmacists, rather, pharmacists are available and already at Omnicare at all hours, including overnight, weekends and holidays. Omnicare, Inc. has numerous other subsidiary pharmacies in the immediate region and, additionally, has in place a contract with over 60,000 retail pharmacies throughout the United States, including many pharmacies in the immediate area near Ridgewood Care Center. Our retail backup pharmacies and other regional Omnicare, Inc. subsidiaries ensure continuity of care at all times for both routine and STAT/emergency medication delivery. In the event that a medication must be obtained from an alternative / backup pharmacy, Omnicare will coordinate with the other pharmacy regarding all aspects of the ordering and delivery process.

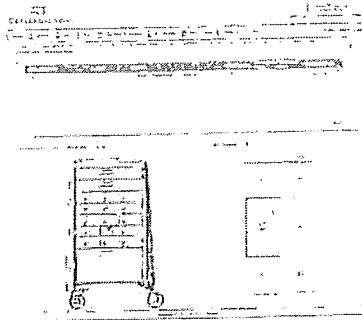
#### EMERGENCY / CONTINGENCY KITS

For emergency / contingency / first dose medications, Omnicare can provide Ridgewood Care Center with two alternative solutions. The first solution is a FirstDose 2.0 machine by Capsa Solutions. Omnicare could provide this machine to Ridgewood Care Center for no additional charge. FirstDose 2.0 is a computerized solution which would be provided in lieu of a standard e-kit. A general overview of FirstDose 2.0 is as follows:



## FirstDose Delivers Key Improvements to Common Starter / Stat Dose eKit & LTC Tackle Box Systems

- Significantly improves charge capture and billing accountability for Hospitals and Long Term Care
- Maintains off-site inventory count to ensure medication availability
- Medication expiry date tracking improves safety and reduces waste
- Fulfillment reporting feature enables on-demand replenishment of medications and supports minimal inventory
- Lowers pharmacy costs associated with on-call or emergency medication deliveries



### The Latest Medication Management / Dispensing Cabinet System for Long-Term Care.

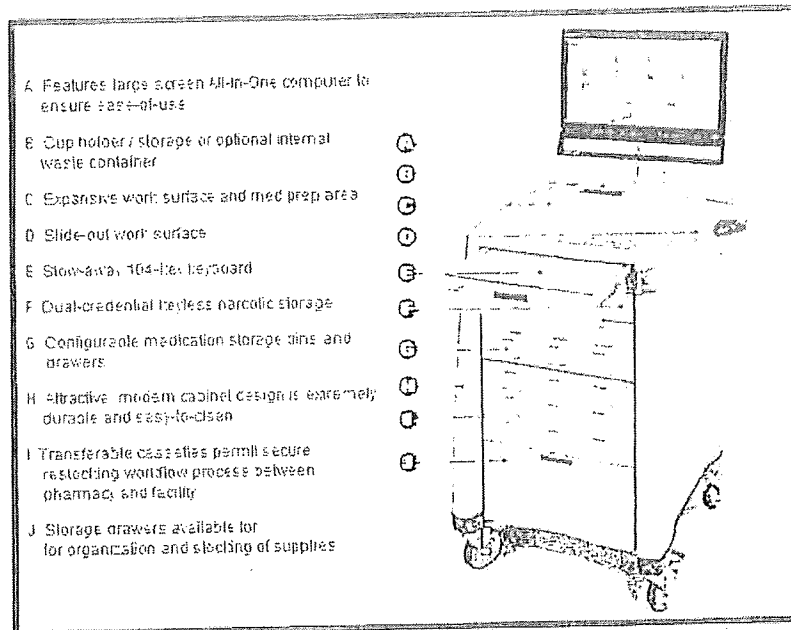
- Fully integrated medication dispensing cabinets featuring the latest technology to modernize healthcare & LTC facility-based prescription inventory & eKit utilization
- Web-based software platform streamlines data management and permits real time monitoring of FirstDose access and use
- Configurable bin and drawer system provides flexibility to define unique storage set-up for each facility's unique requirements

Simple, common sense alternative to expensive automated medication dispensing cabinets and specifically designed for nursing home and long-term care settings.

- Safer, modern alternative to LTC tackle box & eKit systems commonly used in extended care settings
- Maintains organized medication inventory that can be arranged to pharmacy and facility preferences
- Innovative security and locking system permits defined access roles and processes for pharmacy and clinical staff, including keyless narcotics control
- Powerful all-in-one computer features large, crisp interface
- Attractive, modern appearance and clean lines blend in a variety of healthcare settings and design styles make it ideal for a hospital, nursing home or long term care facility
- Available in standard and configurations to accommodate high or low density on-site medication inventories

Robust data management lets both the pharmacy and facility create customized reports including:

- Medication Fulfillment Report to lower inventory requirements through on-demand stock replenishment
- Medication Usage Report by resident, date, or SKU
- Expiration Date Report by medication or date range
- User Access Report supports clinical team management



In the alternative to a FirstDose 2.0 solution, Omnicare can continue to provide tamper resistant, emergency drug kits / E-boxes, containing medication not otherwise obtainable at the time required, to alleviate pain, infection, modify dangerous behavior, or preserve life. Kits will be provided for the immediate administration of a medication at Ridgewood Care Center. The emergency kits will be available and stored in such a manner that is within the parameters of all state statutes and federal regulations and rules. These procedures will be mutually agreed upon by your facility staff and the pharmacy. A list of emergency kit contents will be posted on the outside of the kit and at the nurse's station so that the information is readily accessible. When an emergency or stat medication is needed, the nurse breaks the container's seal, removes the prescribed medication, and reseals the container. A valid prescriber's order is required to justify the use of any medication from the emergency medication kit. As soon as possible, the nurse records the medication use on the form kept in (or near) the kit. When the kit is opened, the nurse completes the appropriate contingency form. The form is faxed to the pharmacy and retained as proof of use. Before reporting off-duty, the charge nurse indicates the "sealed" status of the emergency medication kit in shift change inventory and transmits the new medication orders to incoming staff. When exchanging the kits, the receiving nurse gives the used kit to the pharmacy delivery person for return to the pharmacy and accepts the new kit into the facility. The kit is inventoried at the pharmacy before it is resealed and ready to be sent to a facility. Opened kits are replaced with sealed kits within seventy-two hours of opening. Emergency kits will be inventoried monthly. The pharmacy collaborates with the facility's staff to establish and update the list of medications to be maintained in the emergency kits. Attending prescribers are informed regarding the availability of emergency medications in the facility. The medications in the emergency medication kit shall not be used or altered in any way except as outlined in the foregoing. The emergency medication kit shall contain only those items that are agreed upon by Omnicare and Ridgewood Care Center staff.

## MEDICATION RETURNS

All returned medication is scanned into our dispensing computer with an indication of the quantity returned. Every attempt is made to process such return within 30 days of its receipt so that the credit appears on the next billing cycle. The facility can expedite this process by utilizing the E-Return feature on Omniview and scanning in the returns before they leave the facility. Omniview is described in detail later in this proposal, but the E-Return module in Omniview is described as follows:

In the event that a medication must be returned to Omnicare, Ridgewood Care Center staff can use Omniview's E-Return system to streamline this process. When using E-Return, a Ridgewood Care Center staff member will scan the medication card into Omniview which will load the patient and all of their medications on the screen. Next, the staff member will enter the amount of medication to be returned. As part of the next delivery, the Omnicare courier will retrieve the medication scheduled for return and deliver it back to our pharmacy. Upon return to the pharmacy, the E-Return medication will be scanned into our system and matched with the E-Return medication that was previously scanned by Ridgewood Care Center staff. The E-Return process reduces the labor and time required for traditional returns and allows Ridgewood Care Center, via Omniview, to track the status of returns and credit to be issued. The E-Return system, in addition to cost-savings, will also create easily identifiable audit trails for the facility and provide additional speed to the crediting process.

Once the return is processed, the returned drug will appear on the billing statement just as a sale would, with the date being the original dispensed date and the quantity being the amount that was returned. A reference code will designate this line item as being a Return Credit. The corresponding credit amount will also be listed.

Unused medications may be returned to the pharmacy in the circumstances of discharge, death, or discontinuation, with the following exceptions:

- If the safety seal is broken on ointments, creams, liquids, eye drops
- Inhalers not returned in the original safety packaging
- Reconstituted products
- Flu vaccines
- Refrigerated items that are not returned in a cooler
- Soiled, damaged or manipulated products/cards
- Self-administration and teaching medications
- TPN or pre-mixed medications
- IV Supplies
- Syringed prepared at the pharmacy (due to expiration date)
- Medications dispensed more than sixty days before being returned
- Compounded medications
- Controlled substances
- Medications that are written upon or defaced by facility staff

Per DEA regulations, controlled substances cannot be returned to the pharmacy (except in the instances below) and must be destroyed by the facility. Controlled substances cannot be returned to the pharmacy for credit EXCEPT:

- An item was incorrectly ordered by the facility and/or incorrectly prepared by pharmacy
- A correctly ordered and prepared item was refused upon pharmacy delivery (i.e., order was discontinued or resident expired before the item was delivered)

In the event that the controlled substance order does not fall into the limited exceptions listed above and must be destroyed:

- Medication shall be destroyed by a licensed nurse in the presence of a witness, in such a manner that the medications cannot be retrieved, salvaged, or used. They shall not be discarded with garbage or refuse.
- For any medication which is destroyed or returned for a hospitalized resident, there shall be an entry in the resident's Disposition of Medication Record which shall include the following:
  - RX number and Pharmacy name
  - Medication name
  - Strength
  - Quantity
  - Date Destroyed
  - Method of destruction
  - Signature of nurses
- Schedule II, III, IV and V medications must be destroyed by two licensed nurses, both of whom would need to fill out the Disposition of Medication Record.
- Records of medication disposal shall be retained for at least five years.

Our pharmacy will assist Ridgewood Care Center staff with completing the required forms relating to the destruction of controlled substances.

If a medication is eligible for credit, it will be issued based upon the following criteria:

- All return medications will be returned and handled according to all the parameters set forth by the state and federal rules and regulations.
- Return Medication forms will be provided to Ridgewood Care Center for documentation purposes.

Credit (in the amount of what was charged) will be issued for properly returned medications.

### PATIENT PROFILES / DRUG INTERACTIONS

Omnicare maintains electronic medication profiles which allow facility staff to do pre-intake medication screening which helps to manage pharmacy costs before intake. These profiles and screening will identify therapeutic interchanges and generic substitutions prior to intake, analyze IV costs over your projected duration of therapy, and allow the user to see clinical notes and

recommended precautionary measures. This same system will also keep an updated drug-drug, food-drug, food-food, and drug-allergy interaction program in the pharmacy computer system.

1. Omnicare, in addition to dispensing the medication orders as they are written and suggesting adjustments and follow-up, our pharmacists will, with the information available, interpret the following:

- o Drug/drug, drug/food and drug/disease interactions
- o Non-optimal dosage
- o "Black Box" warnings and contraindications
- o Allergies
- o Required clinical monitoring (i.e. Clozaril/Clozapine)
- o Potentially duplicative therapy
- o Medication therapy without diagnosis
- o Incomplete or inaccurate medication orders
- o Therapeutic interchange
- o Other quality assurance measures as agreed upon

2. Omnicare uses proprietary software programs to develop and maintain drug profiles on each patient. These software systems allow us to maintain all patient information both current and discontinued and have immediate access to this information.

This information is maintained both within Omnicare's internal pharmacy dispensing system and on the web-based Omniview system.

In the case of a mild or moderate interaction, the consultant pharmacist will be notified for follow-up and recommendation during the next review. In the case of a severe drug interaction, the resident's physician will be immediately contacted by the clinical pharmacist with information on the interaction and recommendations. If the physician is not available, the facility will be notified to contact the physician. In the case of a severe drug interaction, medication will not be dispensed without authorization from the physician. The facility will be notified of any subsequent changes to the drug therapy.

### FORMULARY IMPLEMENTATION

Omnicare's facility-specific formulary implementation process is described as follows:

Omnicare's policy on facility-specific formulary is:

- a. A nursing facility ("facility") that wishes to implement a facility formulary can forward a written request for assistance to Omnicare. The facility's correspondence should include:
  - The name of its designee that would be Omnicare's contact.
  - A copy of the facility's formulary, if it has its own.Ridgewood Care Center may request that its formulary be implemented by Omnicare, or Ridgewood Care Center and Omnicare would collaborate to establish a formulary using

the collective clinical expertise of both organizations. No facility formulary-based interchange would be executed without the written approval of the appropriate facility staff. Ridgewood Care Center has the authority to implement any facility formulary it wishes; however, if the implementation procedure requires Omnicare's assistance, then Omnicare reserves the right to evaluate and decline to assist with any interchange based upon the following:

- Clinical appropriateness
  - Regulatory compliance
  - Cost to Omnicare (i.e., requiring multiple prior authorization submissions for third party payers; negative effect on contracted discounts)
  - Pharmacy operating system capability
- b. If the facility does not propose its own formulary and asks for Omnicare's assistance in developing a formulary, Omnicare, Inc.'s corporate clinical staff will propose in writing a formulary and implementation procedure. In addition, Omnicare, Inc.'s corporate clinical staff will provide any other specific assistance requested by the facility in developing its formulary.
- Omnicare will recommend a preferred (select) drug list and corresponding therapeutic interchange protocols.
  - The therapeutic interchange protocols will be based on the clinical evidence provided in Omnicare's *Geriatric Pharmaceutical Care Guidelines*® and the relative effectiveness, safety and/or pricing of comparable drugs.
  - Omnicare may periodically make recommendations to change the preferred drug list and corresponding therapeutic interchange protocols.
- c. A representative of the facility's Pharmacy & Therapeutics Committee (P&T Committee), or other properly constituted interdisciplinary committee, may suggest changes to the formulary proposed by Omnicare (and any changes thereto), as well as to the protocols and implementation procedure.
- Any proposed changes to the Omnicare-suggested formulary will be reviewed and further discussed with facility staff, if necessary.
  - Omnicare may decline to implement the formulary or any specific formulary initiated therapeutic interchange proposed by the facility. The reasons Omnicare chooses to decline the formulary or interchange will be provided in writing to the facility.
- d. Any facility formulary (and any changes thereto) must be adopted by the facility's P&T committee.
- Omnicare's Consultant Pharmacist may advise the facility's P&T committee, but, by policy, no Omnicare employee can be a voting member of the committee.
- e. If a facility wishes to adopt a formulary, the facility's P&T Committee must be aware that the decisions of the facility's P&T committee are not binding on prescribers in the facility and each individual prescriber has authority to participate or not participate in the facility's formulary.
- f. Signature forms with instructions will be provided by Omnicare. Documents signed by the designated facility staff and/or prescribers should be forwarded to Omnicare's Formulary Compliance Center.
- g. The Consultant Pharmacist for each facility will meet with the P&T Committee as required by the facility to review formulary and related quality and cost issues.

Our ultimate goal is to make drug therapy appropriate. Our pharmacists achieve this goal by addressing the following medication related problems.

- Medication use without indication

- Untreated medical problem
- Adverse drug event
- Improper medication selection
- Sub-therapeutic dose/duration
- Excessive dose/duration
- Failure to receive medication
- Drug Interaction

Omnicare's Therapeutic Interchange process integrates internal Clinical Pharmacists to assure maximum efficiency of the interchange process, and optimal clinical oversight by pharmacists. Omnicare has taken therapeutic interchange to a higher level with advanced clinical/interchange programs which integrate both clinical management and formulary cost savings.

Therapeutic Interchange can be accomplished:

- Facility Formulary-where permissible by state regulation and when assistance requested by facility
- Through Omnicare Clinical Intervention Center (CIC) utilizing a Patient Specific Therapeutic Interchange (PSTI) fax request to the prescriber
- Retrospectively through the consultant pharmacist Medication Regimen Review (MRR)

Therapeutic Interchange Defined:

- Therapeutic interchange is defined as substitution of a drug that has comparable or superior therapeutic effects as the drug originally prescribed based on appropriate authorization of the prescriber. Therapeutic interchange is not generic substitution.
- Therapeutic interchange protocols were developed from the Omnicare Formulary.
- A therapeutic interchange protocol establishes the specific clinical or cost situations for the substitution of a drug that has comparable or superior therapeutic effects as the drug originally prescribed
- Therapeutic interchange requires prescriber authorization
- Therapeutic interchange among clinically comparable medications occurs to reduce the price of medications to the payer

Facility Formulary Benefits:

- Consistent quality and medication safety
- Cost management through interchange to lower-priced medications
- Improved efficiency of formulary compliance with fewer communications to prescribers
- Interchange typically occurs with the first dose resulting in earlier and greater savings

Facility Formulary Basics:

- Facilities in most states can develop a formulary and implement procedures to guide selection of "formulary medications"
- Within the formulary, therapeutic interchange protocols provide a mechanism to assist with formulary compliance
- Medication orders can be changed at the point of dispensing when a Facility Formulary is implemented

Facility Formulary and Omniview:

- Signed Facility Formulary document as well as Prescriber Authorization Forms will be posted on Omnicare, Inc.'s proprietary, web-based Omniview system

- The Prescriber Template is also posted on Omniview and available if needed for new prescribers
- The Omniview Formulary Statistics Report and Prescriber Formulary Compliance Report is available to assist the customer in evaluating compliance to Omnicare's select agents for each facility
- A Quarterly Formulary Savings Spreadsheet will be prepared which demonstrates savings through Omnicare's Formulary management program for each facility

### EQUIPMENT

Omicare will provide any and all equipment necessary for the provision of pharmacy services at Ridgewood Care Center, including a medication administration system, medication carts, treatment carts, fax machines, scanners, and online communication necessary for efficient operations. Omnicare will maintain and repair such provided equipment at our own expense, unless repairs are required as a result of abuse by Ridgewood Care Center and then the repairs would be provided for a reasonable fee.

Any and all equipment provided by Omnicare to Ridgewood Care Center, including but not limited to medication carts, treatment carts, fax machines, scanners and any other equipment necessary for the provision of pharmacy services, shall remain the property of Omnicare, shall be marked accordingly, and shall only be used for pharmacy purposes.

### MONTHLY MEDICATION ROOM & MEDICATION CART AUDITS

On a monthly basis, an Omnicare representative will perform medication room and medication cart audits and will report findings of the audit to appropriate Ridgewood Care Center staff.

### MARs, TARs, POSs

MARs, TARs and POSs will be updated, printed and delivered to the facility on a monthly basis. Any and all information must be received from Ridgewood Care Center no later than the 5<sup>th</sup> of the month. Once received, Omnicare's quality assurance process requires that such information is reconciled and checked against Omnicare's internal dispensing records and patient profiles to ensure that all updated records sent to Ridgewood Care Center are correct.

Additionally, Ridgewood Care Center is able to print MARs & TARs at any time via the web-based Omniview system.

Omicare will provide all required health care forms to Ridgewood Care Center for no additional charge.



## BILLING AND INSURANCE

Omnicare participates with all known PDPs and also has significant support services relating to billing and reimbursement which are described as follows:

### Clinical Intervention Centers

Omnicare offers many high quality professional services to help meet the clinical needs of residents and pharmacy cost management needs of the facilities we serve. These professional services are primarily performed for the pharmacies through Omnicare, Inc.'s regional, centralized Clinical Intervention Centers ("CICs"). These CICs are staffed by specially trained professionals and technicians who support our pharmacies by creating efficiencies in communication and performing various clinically related functions.

### Medicare Part D and other Third Party Payer Formulary Management

For residents with coverage under a third-party prescription benefit plan such as Medicare Part D ("Part D"), Medicaid or a commercial insurer, Omnicare, Inc.'s CICs coordinate with the dispensing pharmacy to:

- Recommend a covered alternative when a resident is prescribed a "non-covered" drug. These "non-coverage" recommendations are made on a resident/situation specific basis.
- Work with the facility to submit the appropriate documentation to the Part D plan to allow payment when a resident is prescribed a drug subject to prior authorizations ("PAs") or Medical Exceptions for clinical reasons.
- Assist in resolving claims that are rejected for clinical reasons.

Omnicare will provide the physician any necessary forms for the process mandated by the payer to seek a prior authorization, an exception to non-formulary status, an exception to a quantity limit or any other applicable exception to the coverage restriction.

The CIC staff has processes in place to follow-up with the physician within 24, 48 and 72 hours if the required forms are not received back. Additionally, once the appropriate documentation is submitted to the insurer, we have processes in place to check on status of plan approval or denial.

Additionally, Omnicare works closely with several large Part D plans that no longer require a physician signature on prior authorization forms and now allow pharmacists to complete PA forms with the appropriate clinical information. This minimizes documentation required by the physician and expedites the prior authorization process.

### Prior Authorization

Those prescriptions that insurance rejects which necessitate prior authorizations and medical exceptions are primarily handled by Omnicare, Inc.'s Centralized Billing Centers and CICs since pharmacist involvement is needed. As described below, we will generate a form which provides the prescriber with covered alternatives for that payer. This form also provides a means for the physician to indicate that he/she would like the resident to continue on the prescribed medication therefore requiring additional documentation.

In the event that the physician wishes to pursue prior authorization/medical exception, Omnicare will provide the physician any necessary forms for the process mandated by the payer to seek a prior authorization, an exception to non-formulary status, an exception to a quantity limit or any other applicable exception to the coverage restriction.

Omniview: Omniview continues to be the Omnicare, Inc. flagship for invoice review and approval. The Omniview paperless review process is inherently transparent and promotes a thorough review of every resident. A built-in Credit Memo tool provides bi-directional electronic communication that ensures disputed charges are appropriately addressed and adjusted. Omniview is also the preferred vehicle for census communication. Omniview captures the census loaded in the facility software, omitting the need for manual communications related to a resident status change.

Experience: The Central Billing Centers are staffed with managers and team leads with years of experience in pharmacy billing. They are familiar with the unique needs of the long-term industry and community-based living facilities. They are aware of the demands placed on facility staff and strive to build professional relationships. They are also sensitive to the difficult circumstances the residents and their families face and strive to meet their individual needs.

### Medicaid Pending

Omnicare, Inc.'s National Pharmacy Billing Department has several tools in place to identify and appropriately bill residents with pending Medicaid applications. The operating systems have been enhanced to capture as much information as possible relative to the resident's application in order to monitor these accounts closely. Identified residents will have all charges billed to the responsible party, or their primary coverage with co-pays billed to the responsible party, via a monthly invoice. These residents and/or responsible parties also receive a statement insert letter explaining that we are aware of the Medicaid application and encourage the responsible party to share any pharmacy charges with the caseworker as it may often positively influence the approval process. When an application is approved, the charges will be re-billed for the appropriate retroactive coverage date. At that time, any Medicaid non-covered charges, both retroactive and future, may be billed on the facility statement.

Since these application pending residents are billed as private pay, it is possible that unpaid outstanding balance accounts may require collection activity. Therefore, Omnicare has established protocols for cross-referencing our known application pending residents with the state coverage files in order to identify and apply Medicaid coverage as timely as possible. We will attempt to find coverage for residents upon admission as well as monthly for any outstanding balance accounts. Additionally, Omnicare also has an established relationship with an outside vendor that may be able to assist qualifying residents and responsible parties with the application process.

### Automatic Split Billing

When a resident is admitted to a long-term care facility for a Medicare Part A stay, industry standard practice is to dispense a 30-day supply of medications and bill them to the nursing facility. The duration of Medicare Part A stays is often less than 30 days. This means that the nursing facility is being charged for medications that should be paid for by the payer who assumes responsibility when the Part A stay ends. Omnicare, Inc. recognized this business issue, and programmed its subsidiary pharmacy operating systems to automatically act when there is a change in census or the resident is discharged from the facility. Our system will automatically issue a credit memo to the facility for the unused portion of the Medicare Part A prescription, and then automatically generate a charge to the new payer for that same portion.

### Potential Financial Impact to the Facility

From past experience we have found split billing significantly increases the amount of credits a facility receives under a return and credit system. It also shifts the burden of managing these credits from the nursing home (where if no return is made no credit is issued) to the pharmacy.

### Non-Covered Medications

Non-covered medications will be billed to residents directly by the pharmacy. To the extent that the non-covered residents later obtain some type of third-party coverage, Omnicare will work with the residents of Ridgewood Care Center to have any covered items re-billed to the appropriate third-party pay source. For a dual-eligible resident who has both Medicare and Medicaid coverage, a non-covered medication would be billed to the facility.

Additionally, Omnicare intends to shortly implement a new module as part of the web-based Omniview system which will allow the facility to run an evaluation using the patient's medication profile in Omniview against all Part D plans available for the patient in order for the patient to determine which plan provides the patient with the best coverage for their medications.

## MANUALS, SUPPORTING REPORTS AND DOCUMENTS

Omnicare will work with Ridgewood Care Center staff to create updated policy and procedure manuals relating to all aspects of our pharmacy services, including medication administration and infusion-related services with copies of all manuals provided to each nursing unit, nursing administration staff, and in electronic format as may be required by the DON.

Omnicare can develop custom reports as may be requested by Ridgewood Care Center and will provide reports, at a minimum, in all of the categories listed above.

In addition, the following reports are available for Ridgewood Care Center staff, via the web-based Omniview system, at *anytime*:

- Total orders filled in the prior month, new, refills
- Total number of doses dispensed for formulary brand, non-formulary brand and generics
- Total cost for non-formulary brands, formulary brand and generics
- Percentage of residents on medication by gender
- Number of prescriptions/resident by gender
- Prescriber profile for each prescriber
- Top non-formulary prescriptions by prescriber
- Detail of orders written by class of drug
- Summary of orders by therapeutic class
- Percentage of total orders for each prescriber by class of drug
- Non-formulary orders by class of drug
- Breakdown of total drug cost by class
- Top ten psychotropic drugs by cost
- Top ten non-psychotropic drugs by cost
- Top OTC medications by cost
- Quarterly graphs that illustrate utilization patterns
- Drug history and physician prescribing reports
- Any and all other reports requested by Ridgewood Care Center (as available from Omnicare)

#### CONSULTANT PHARMACIST SERVICES

We believe that Omnicare, Inc. subsidiary pharmacies are the industry leaders in clinical pharmacotherapy services. Omnicare's pharmacists are committed to optimizing pharmaceutical therapies for each individual to improve clinical outcomes and reduce costs.

Omnicare, Inc. currently provides Clinical Pharmacy Services to approximately 1 million patients nationally. Omnicare pharmacists, through use of proprietary software, are capable of accepting an electronic medical record of residents in order to facilitate Patient Specific Therapeutic Interchange, Disease Management recommendations in 13 categories, and individual resident, case management and risk stratification.

Omnicare, Inc.'s clinical programs and consulting services are nationally recognized. Our pharmacists are members of the American Society of Consultant Pharmacists, a national professional association dedicated to the pharmaceutical care of the ill. Omnicare currently has dedicated clinical pharmacists who are available around the clock to assist the Ridgewood Care Center staff. Our accreditation with the National Association of Boards of Pharmacy assures that we have standards in place that are nationally recognized. Omnicare proposes to provide the following:

To fulfill pharmacy services regulations, an Omnicare Consultant Pharmacist:

- Collaborate with facility leadership and staff to coordinate pharmaceutical services within the facility, and to guide development and evaluation of the implementation of pharmaceutical services procedures;
- Help the facility identify, evaluate, and address/resolve pharmaceutical concerns and issues that affect resident care, medical care and/or quality of life.

To accomplish these tasks, Omnicare's Consultant Pharmacists services include three primary categories: Professionalism; Clinical Evaluation, Assessment and Recommendations; and Regulatory Compliance.

#### Professionalism

An Omnicare Consultant Pharmacist will:

- Conduct an entrance conference upon arrival to the facility and an exit conference when consultant pharmacist services are completed for that month.
- Provide assistance (by telephone if necessary) with issues or questions that arise either prior to or on the day of any survey of the facility.

#### Clinical Evaluation, Assessment and Recommendations

The State Operations Manual F-Tags 428 (Drug Regimen Review) and 329 (Unnecessary Drugs) integrate regulatory compliance with appropriate pharmaceutical care through the care process. Omnicare divides consultant pharmacist services into two separate components: required services and optional services.

#### Required Consultant Services for Nursing Facility Residents

- Consultant shall provide consultation regarding all material aspects of providing pharmaceutical services to Facility. A written report regarding the provision of pharmaceutical services will be provided to Facility quarterly (or more frequently if required by Applicable Law).
- Consultant shall collaborate with Facility and Facility's medical director to:
  - develop, implement, evaluate, and revise (as necessary) procedures for the provision of pharmaceutical services; and
  - strive to assure that medications and/or biologicals are requested, received and administered in a timely manner as ordered by the authorized prescriber (in accordance with Applicable Law).
- Consultant shall assist Facility in determining that residents' medication therapy is necessary and appropriate.
- Consultant shall conduct a drug regimen review ("MRR") for each Facility resident at least once a month.
- Consultant shall identify any irregularities as defined in the State Operations Manual.
- Within three (3) business days of conducting an MRR, Consultant will provide a summary report to the attending physician and the Facility's director of nursing which (a) documents that no irregularity was identified, or (b) reports any irregularities. Consultant may utilize electronic signatures to create and/or authenticate reports and records relating to all MRRs and may transmit such records and reports to the attending physician and the Facility's director of nursing via electronic means (if such method is determined to be most effective for providing notification), in accordance with the terms of this Agreement, Pharmacy's information security and privacy policies, and any other laws applicable thereto.
- For skilled nursing residents anticipated to stay less than thirty (30) days or with an acute change of condition, Consultant will provide, upon the written request of Facility, an Interim Medication Regimen Review ("iMRR").
- Consultant and Facility shall develop a procedure to apply when an attending physician does not respond to such report or fails to document the basis for his/her disagreement with such report.

- Consultant shall assist Facility in determining that medications are labeled in accordance with federal and state labeling requirements and accepted standards of practice.
- Consultant shall assist Facility in reviewing the safe and secure storage of medications in locked compartments under proper temperature controls in accordance with manufacturers' specifications.
- Consultant shall assist Facility in developing and implementing safeguards and systems to control, account for, and periodically reconcile controlled medications.
- Where permitted by Applicable Law, pharmacy assistants/technicians and nurse consultants will assist Consultant in determining Facility compliance with Applicable Law with respect to labeling and storage of medications.

#### Optional Consultant Services for Nursing Facility Residents

The Consultant may collaborate with Facility and/or Facility's medical director to develop, implement, perform, participate in, or advise with respect to, any of the following:

- medication observation evaluations of Facility's capabilities;
- meetings in addition to the quarterly Quality Assurance Committee meeting;
- Facility staff in-service educational programs beyond two per year;
- non-financial audits relating to the provision of medications;
- potential narcotic diversion investigations;
- family and/or resident council activities;
- Facility accreditation assistance;
- drug utilization and/or evaluation activities at the request of Facility;
- assistance in preparing for Facility surveys;
- narcotic and/or drug destruction, regardless of whether such task is required by Applicable Law;
- anti-coagulation dosing as requested by a prescriber; and/or
- Services provided by Consultant as part of corrective action plans.

Please see the sample consultant pharmacist report in Tab 4.

#### Antipsychotic Medications

Omnicare's pharmacists are quite familiar with the CMS guidelines concerning psychotropic medications and we have policies and procedures in place for complying with these guidelines. In the past five years, pharmacists throughout the Omnicare, Inc. network of pharmacies, including Omnicare, have made approximately one million recommendations to prescribers regarding antipsychotic use, the vast majority of which were to reduce a dose, discontinue a drug, question the reason drugs are used, or monitor for potential, known side effects. Approximately 0.1% of recommendations were for the prescriber to evaluate the addition of drug therapy when non-drug approaches failed to correct behavioral disturbance and 0.2% were to consider a change to existing drug therapy because the original drug failed to correct the behavioral disturbance.

Omnicare's efforts to reduce antipsychotic drug use are consistent with evidence-based practice and CMS nursing facility regulations. In fact, Omnicare, Inc.'s own internal guidelines state that

initial treatment for management of behavioral disturbances associated with dementia is non-drug, such as changing the patient's environment of care or redirecting the patient's attention. Prior to any type of drug treatment, underlying conditions or disease states that can cause or worsen behavioral symptoms should be corrected if at all possible. Omnicare, Inc.'s internal guidelines are distributed annually to all of our long term care facilities and to tens of thousands of prescribers who care for patients in these facilities.

If a prescriber determines that drug therapy is necessary to manage behavioral symptoms associated with dementia, such as agitation or aggression, in older adults without psychiatric symptoms, the prescriber should choose the most appropriate agent based on the patient's symptoms, prescribe the lowest effective dose and use it carefully for the shortest duration necessary. Response to therapy should be monitored and documented frequently by nursing facility staff, and treatment should be periodically evaluated for gradual dose reduction, tapering or discontinuation.

In addition, Omnicare has recently implemented new tracking software for our consultant pharmacists which can assist Ridgewood Care Center in meeting the psychotropic percentage guidelines issued by CMS. This tracking module will allow our consultants to chart the date and specifics of every psychotropic dose reduction request and produce reports for Ridgewood Care Center which will illustrate how each patient and the facility as a whole are trending.

#### QUALITY ASSURANCE & QUALITY IMPROVEMENT

Omnicare will provide a Quality Assurance Program to document quality of services provided. This will include summary reports of consultant pharmacist drug regimen review recommendations and facility and physician compliance regarding follow up. The pharmacy's internal dispensing system will provide monthly reports with information regarding residents on various restorative nursing programs, number of residents on physician restraints and number of residents on the various types of psychoactive drugs. The consultant pharmacist will oversee the use of psychoactive drugs and report numbers at the monthly facility meetings. Psychoactive drug audits will be completed and reported as required with a focus on facility compliance with regulations regarding documented diagnosis, behavior and side effect charting, dose reduction attempts and dosage and duration limitations.

The consultant pharmacist will also monitor for the use of any inappropriate medications for the elderly ("Beers list drugs") and provide Westmoreland with reports as requested regarding residents receiving any of these drugs, organized by both physician and nursing unit. The consultant pharmacist will monitor regulatory compliance with these drugs to ensure appropriate documentation is in place and reporting noncompliance to facility staff. Drug regimen reviews will comment on Beers list drugs in relation to the drugs / diagnosis contraindications.

The consultant pharmacist will conduct monthly controlled drug inventory audits for the facility in conjunction with the Quality Assurance nurse and supervisors. Audits will be conducted at Westmoreland's preference and on a rotating basis of all three shifts.

The consultant pharmacist will review the Facility's quality indicator reports monthly and focus on any flagged indicators. As an example, this may include additional reporting and focus on

residents receiving nine or more medications or prevalence of symptoms for depression without anti-depressant therapy.

Omnicare is also committed to providing Continuous Quality Improvement and control for pharmacy services provided. We have in place a Framework for Performance Improvement that is an ongoing effort in our pharmacy. We are confident that our goals will be those of Vernon Manor as well. We define quality improvement as the degree to which services and products meet client needs, while achieving desired therapeutic outcomes and eliminating deficiencies and defects.

Our Framework for Performance Improvement Committee meets on a regular basis. Our Framework for Performance Improvement is a patient/resident focused tool to improve patient/resident care using outcome measures. The quality improvement method used is Plan-Do-Check-Act. Continuous Quality Improvement is an ongoing process that involves all members of the organization. The following are the purposes and objectives of Continuous Quality Improvement:

- To advocate for the delivery of safe, cost-effective and clinically appropriate comprehensive health care services for us to meet established therapeutic goals.
- To utilize generally accepted professional standards to measure the professional practices of appropriate staff.
- To act as a resource in order to assist in the development and implementation of training programs for appropriate staff in order to ensure that clinical practices and professional competency meet industry standards.
- To promote a spirit that will help ensure that all products and services provided to our clients will be both appropriate and of high quality.
- To support an ongoing process that promotes the safety of all clients and employees.
- To continuously identify both real and potential problems in the provision of products and services and when identified to assess and resolve these in a timely and effective manner.
- To continually monitor patient and customer satisfaction as well as patient/resident outcomes and include this data as a major source of our performance improvement activities.
- To assist in establishing systems to ensure that all processes are properly performed in keeping with the company's mission and protocols as well as all appropriate laws, regulations and established professional standards.

Several quality indicators are monitored. These include IV access device complications, staff competency assessment, customer satisfaction, dispensing errors, delivery timeliness and adverse drug reactions.

Most medication occurrences are due to problems in the system or processes of how we do things, NOT from personnel issues. Omnicare focuses on improving the "process" or steps in care delivery, not individual performance. Our Medication Occurrence Prevention and Reporting Program is not punitive thereby setting the appropriate attitude and environment, which is critical to the level of participation and success of the program.

Our system of medication occurrences are defined and categorized by the following the taxonomy suggested by the National Coordination Council for Medication Error Reporting and Prevention.



### Quality Assurance

Partial tablet	Storage/shipping conditions	Wrong label/directions
Wrong dosage form	Wrong resident	Wrong infusion rate
Wrong facility	Wrong drug	Wrong route of administration
Late delivery	Wrong strength	Wrong quantity
Package /device	Omitted medication	Expired medication

A response or action is taken immediately to correct the occurrence in collaboration with facility staff and prescriber. An Occurrence Report is completed and an investigation of the occurrence is begun under the supervision of the General Manager including any level of harm the patient may have experienced. Contributing factors in the process are reviewed and a plan of correction is implemented, including education for all Pharmacy staff to the plan. Plans of correction continue to be monitored by the pharmacy to assure our process remains in place to minimize the risk of recurrence. Each occurrence and near miss is recorded, tallied and trended monthly for analysis, action, and monitoring by the general manager and quality assurance team members at every pharmacy. Each month, all occurrences are electronically reported corporately to the Quality Services Department for analysis, trending of break-down points and evaluation of overall current processes and systems.

### Quality Improvement

Omnicare, Inc. has implemented a continuous performance improvement program to provide a structure for collecting, measuring, analyzing, reporting and benchmarking operational and clinical activities in order to promote the highest quality of pharmaceutical care delivery to customers and their residents. Our Performance Improvement Program requires the participation of every Omnicare location and promotes employee participation in a non-punitive environment to foster leadership, grassroots involvement and employee satisfaction and patient safety. All Omnicare sites have an assigned Performance Improvement Coordinator under the direct supervision of his/her General Manager. All sites record, trend, analyze and review performance improvement information in an inter-disciplinary meeting held at least monthly where site leadership apply the Deming Cycle of PLAN-DO-CHECK- ACT to resolve potential or real problems.

Analysis and trending of data allows Omnicare, Inc.'s Management to focus on localized issues, or company-wide trends with an informed approach to strategic or tactical plans of action. Types of data collected address medications, products, equipment, and customer service issues, such as on-time delivery. Data is sent to and held in a central Omnicare, Inc., repository for corporate trending and evaluation of our own policies and procedures and changing long term care industry practices and regulations.

All identified medication occurrences are typified, evaluated for process failure and categorized by degree of severity. Dependent on degree, data collection is handled at

the site level or immediately reported to the Corporate Coordinator for Quality Improvement and/or our Risk Management Team.

The Quality Indicators for the Current Performance Improvement Program are:

- Medication dispensing accuracy
- Adverse Drug Reaction Reporting
- Timely Delivery of Medications and Supplies
- Infection Control for Employees
- Emergency Preparedness and Safety
- Customer Perception of Pharmaceutical Care, Enteral Nutrition Services and Medical Supplies Services
- Home Care Patient Perception of Pharmaceutical Care, Enteral Nutrition Services and Medical Supplies Services
- Pharmacy Medication Profile Record Accuracy
- Home Medical Equipment and Respiratory Services
- Home Medical Equipment and Respiratory CMS Standards of Compliance

### IN-SERVICE TRAINING & IV EDUCATION

Omnicare can provide a limited number of in-service training sessions relating to our pharmacy service for no additional charge with additional training sessions available for our standard education fees of \$65 per hour for consultant pharmacists and \$55 per hour for nurse consultants.

Omnicare will provide in-service training to the facility staff on any identified deficient practices. Some examples of in-services would be:

- o Training/orientation to Pharmacy Services
- o Trainings on deployed technologies (Omniview, IV pumps, etc.)
- o Clinical reference library available on Omniview
- o IV Training
  - Access to Infusion Services Website on Omniview (Includes Policies and Procedures and Customer Education Tracker among many other infusion related topics).
  - Educational Offerings such as: Infusion Implementation, Essentials of Infusion Therapy, Advanced Infusion Therapy, Patient-Controlled Analgesia, Central Line Review, Port Access, Inatropics, TPN, Hyperdermaclysis, and Infusion Documentation

To the extent that your facility requests in-services relating to the provision of Omnicare's pharmacy services, including medication administration, software training, etc., Omnicare is able to provide a number of pharmacy-related in-service training sessions at no additional charge.

Omnicare will also provide a method of continuing education units (CEUs) for the nursing staff of your facility. Below is a list of courses that are offered:

Name	CE's	Social Work Hours
Intravenous Site Selection and Insertion Techniques (IV RN)	1.25	
An Intravenous Therapy Workshop	5.25	
Nursing Care of the Total Parenteral Nutrition Patient	1.0	
IV Therapy: Basic Monitoring	1.0	
Unnecessary Drugs	1.0	
PICC & Midline Catheters: Care and Maintenance	1.0	
Competence in IV Therapy for the LPN - 6 Day Program	44.0	
Standards for Medication Administration	1.0	
Assessment of the Chronic Wound	1.0	
Thrombotic Catheters	1.0	
LPN IV Law in Wisconsin	1.0	
Psychotropic Drug Review	1.0	
Hypodermoclysis Revisited	1.0	
Central Vascular Access Devices	1.0	
Care & Maintenance of the PICC/Midline Catheter	1.0	
What you Always Wanted to Know about Central Lines...but Were Too Afraid to Ask	1.0	
Treating Diabetes	1.0	
Behavior Management - Drug Treatment Options	1.5	
Medication Errors in Long Term Care	2.0	
Urinary Incontinence in the Nursing Home Resident	1.5	
Indwelling Catheter Use in the Nursing Home Resident	1.5	
Pain Management in the Geriatric Resident	1.0	
Taking the Fear Out of Delegation	1.0	
Using Proper Infection Control Procedures Performing Treatments in the LTC Setting	1.0	
Abuse, Neglect and Misappropriation in Long Term Care	1.0	
Diabetes: Medications and Nursing Implications	1.0	
Wisconsin Laws & Rules for Nursing with IVs	1.5	
Wisconsin Laws & Rules for Nursing	1.0	
Effective Management of Coumadin Therapy in LTC	1.0	
Leadership	1.0	
Medication Administration: Standards for Nursing in Wisconsin	1.5	
Dementias: Similarities and Differences	1.5	
Do You See What I See? Medication Administration Observation Skills Review	3.0	
Drug Diversion in Long Term Care	1.0	
Infection Control and You	1.0	
Infection Control Requirements in Long Term Care	1.0	
Medicare Part D	1.0	
NPUAP New Guidelines for Pressure Ulcer Prevention and treatment: Overview and Highlights	1.0	
Essentials of Infusion Therapy (2 day program)	13.0	
Pharmacological Management of Pain in the Geriatric Resident	1.5	
Inotrope/Dobutamine	1.0	
Recognition & Management of Dehydration	1.0	

Wisconsin DNR Rules Defined	1.0	
Documentation of Medication and Treatment Orders in LTC	1.0	
Documentation - Best Practices	1.0	
Update on the Advances in Insulin Therapy in LTC	1.0	1.0
What, Me Stressed?	1.0	
Write it Right!	1.0	
Please Pass the Meds...A Review in Preparation for Survey	1.0	
Intravenous Basics	1.4	
TPN	1.0	
Pain Control with IV Infusions (Basic PCA)	1.0	
Infection Control: Sink a Germ	1.0	
Heart Failure	1.0	
Pain Assessment and Management	1.0	
Documentation From a Legal Perspective (Short Program)	1.0	

Omnicare does not only provide Nursing and Administrator CEU through both on-site and off-site program; Omnicare is also an Approver of Nursing CEUs in Wisconsin which means we can approve not only programs we develop and present but we can assist our customers with obtaining CEUs for programs that our customers develop and present.

#### Infusion Education Program

*Comprehensive Infusion Therapy:* This course is designed to qualify RN's and LPN's to perform infusion therapy skills and manage the care of customers receiving infusion therapy. Topics include peripheral venipuncture, IV maintenance, IV complications, fluid and electrolyte balance, IV pharmacology, care and maintenance of central lines, management of TPN, administration of blood products, and administration of pain management therapy.

*Peripheral Infusion Therapy:* This course includes venous anatomy, venous assessment, and venipuncture techniques, care of a peripheral IV, administration of IV solutions, documentation, complications and legal issues. A hands-on practice session is included using anatomical models.

*Fluid and Electrolytes:* This course reviews homeostasis, normal water balance and compartments, types of electrolytes, acid-base balance, and correlation of IV fluid administration to fluid and electrolyte balance.

*Infusion Therapy Pharmacology:* This course covers the objectives of medication administration, advantages and disadvantages of the IV route, factors affecting response to IV medications, medication incompatibility and interactions, medication allergies and adverse reactions, and administration of IV medications and solutions.

*Total Parenteral Nutrition:* This course reviews the history of TPN, indications for TPN, composition of TPN formulas, stability and pre-administration issues, customer assessment, complications, and administration of TPN.

*Care and Maintenance of Central Lines:* This course covers central venous anatomy, description of types of central lines, nursing assessment parameters, and care of central lines. A hands-on practice session is included on anatomical models.

*Pain Management:* This course is a comprehensive review of all types of pain management. It includes pain assessment, pharmacologic and non-pharmacologic interventions, related equipment, and customer care issues.

*PICC Overview, Care and Maintenance:* This course prepares the nurse to assess and maintain peripherally inserted central catheters. An overview of devices and complications is also included in the course.

*Infusion Therapy Review:* This course is a review of peripheral and central venous access devices, assessment parameters and care and maintenance procedures. This course is designed to assist participants with meeting state requirements for regular and ongoing IV therapy education and competency validation. Participants will have an opportunity to practice their IV skills on anatomical models.

Omnicare staff also provides on-site in-service education in all areas of infusion therapy education, both didactic and practical. State specific procedure manuals are written and updated in compliance with INS standards and are provided to all centers.

#### Infusion Education Programs

- Peripheral IV Therapy
- Comprehensive IV Course
- Fluid and Electrolytes
- IV Pharmacology
- Total Parenteral Nutrition
- Care and Maintenance of Central Lines
- Pain Management
- Midline Overview: Care and Maintenance
- PICC Overview: Care and Maintenance
- Needleless System
- Infusion Pumps
- Quality Improvement for IV Therapy
- CADD Pumps Overview
- *Additional programs can be developed as needed*

#### OMNIVIEW

Included as part of our standard offering, Omnicare will provide access to Omnicare, Inc.'s proprietary, web-based, Omniview system. Omniview has been in active use by Omnicare, Inc.'s clients for approximately a decade, and its features are currently being enjoyed by approximately 8,000 individual facilities nationwide. Omniview can positively impact the facility's budget in the following ways:

- Elimination of labor cost to manually prepare and fax daily census reports to the pharmacy. Similar savings during the month-end billing cycle.

- Elimination of labor cost to audit and correct pharmacy bills due to inaccurate census.
- Drug cost savings resulting from intervening to achieve more therapeutic substitutions prior to dispensing the first dose of medication. Omnicare estimates cost savings of 2% of total pharmacy costs.
- Elimination of labor cost to manually code pharmacy invoices into your general ledger as well as elimination of errors made in this coding. Omnicare estimates cost savings of 8 hours per facility per month.
- Drug cost savings resulting from educating prescribing physicians about the use of inappropriate medications to improve their prescribing patterns.

Omniview provides distinctive features in the categories of Billing & Payment, Census Management, eRefill & Medication Orders, Event Documentation, Reference Library, and Reports & Analysis.

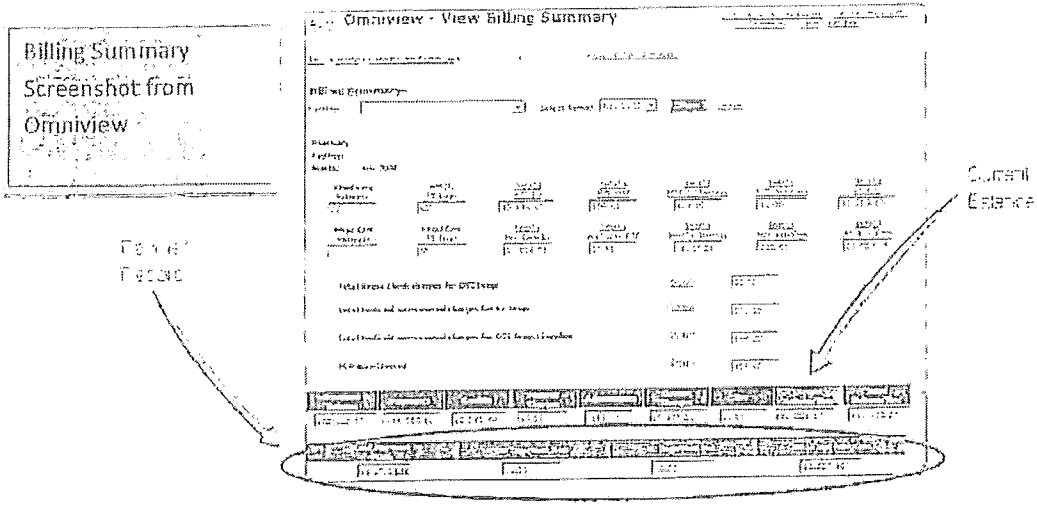
#### Billing & Payment

Reviewing, analyzing and coding pharmacy bills can be a complex and time-consuming process. Omniview simplifies this procedure by granting instant access to billing information.

- Online access and payment
- Automatic assignment of G/L codes
- Adjudicated price validation function
- Simplified dispute resolution
- Electronic submission of daily census information
- Cost and trend analysis

#### Shrink Your Invoice Stack with Simplified Dispute Resolution

With easy online access to any transaction on a bill, facility staff can validate prices, dispute charges using an automated system, and capture all transactions within the facility's own billing system. Current disputes and related communication are all clearly highlighted, making it easy to track and manage. Omniview helps both the facility and the pharmacy resolve things quickly.



#### Automatic G/L and Revenue Codes Save Time and Expense

Omniview can be set to automatically assign an individual facility's own General Ledger and revenue codes to pharmacy transactions. This frees both care staff and accounting staff from identifying and cross-referencing drugs and then calculating totals manually. Upload facility Accounts Receivable and Accounts Payable transactions as soon as bills are posted on Omniview, and the result is a complete, accurate, and up-to-date view of facility pharmacy transactions.

#### Electronic Daily Census Reduces Billing Discrepancies

Omniview's simple, practical online interface makes it easy for facility staff - input resident census information daily into the facility's system and Omniview's automated data feed gives the pharmacy's billing department accurate, up-to-the-minute information. Accurate census and medication data means no backtracking for misplaced data or time consuming data entry from handwritten records. By streamlining and automating, Omniview enables the pharmacy to act immediately on census changes. The billing is completed accurately, and final bills have fewer discrepancies which can lead to the facility saving time and money.

Automated daily census interface is a MUST for complex formulary coverage and management of your residents' Medicare Part D Prescription Drug benefit.

Census Pay Grid - Facility

Omniview - Patient Demographics

Census Screenshots from Omniview

Daily automated interface with your facility's operating system

### Electronic Invoicing

Through Omniview, Omnicare, Inc. subsidiary pharmacies have the capability to provide electronic invoicing and have been billing customers electronically via the Omniview web portal since April 2003. Currently, Omnicare, Inc. subsidiary pharmacies bill over 5,000 invoices representing over 1,500 facilities monthly. These invoices are provided via Secure FTP communications in a fixed-width, Omnicare, Inc. proprietary format. We have successfully integrated our electronic billing file with numerous vendors of commercially available institutional software and are confident that arrangements can be secured to provide a mutually acceptable method of importing charges into the facility system. Additionally, Omnicare can pre-code and include customized A/P and A/R codes for all transactions based on type and inventory category (e.g., Rx, OTC, Supply) to enable a seamless data stream directly into your systems.

If you choose to fully participate in Omnicare's paperless invoicing process, there is also the potential to provide the facility resident's Medical Record Number as part of the file. This process is flexible and customizable.

### eRefill & Medication Orders

A computer with access to the Internet and an inexpensive handheld scanner allow refills to be entered at the point of care, without entering data by hand. Scanners capture accurate prescription information, care staff review and approve the request, and the order is sent automatically to the pharmacy's workflow.

- Fast eRefill orders with immediate on-screen confirmation
- No faxing or manual data entry (for routine medications)
- Track order processing and delivery status



- Review status of rejected Med D claims

Anytime of night or day, Omniview will provide clear statements about the status of medication orders.

Omniview's Order Status Responses	
Refill Request Received	The pharmacy is filling this order.
Refill too Soon	The order was placed too early. It's being held until it's eligible and will then be refilled.
Invalid Rx Number	The pharmacy doesn't recognize the Rx number you've transmitted. You'll need to submit a different number or follow up by phone or no refill will be processed.
Cancelled	This order was cancelled.
Pharmacy Follow-Up Required	There's an issue with this order. You must discuss with the pharmacy to resolve the problem before the order can be filled.
Shipped	The order is in the tote and on its way.

#### Event Documentation

In addition to communicating orders and providing anytime order status, Omniview documents other important pharmacy events, including non-dispensed returns and destructions, and provides proof of delivery for the facility's medications. Omniview also captures resident events, such as leaves of absence and discharge, which have a direct impact on pharmacy delivery and billing. All of the data for a facility's file can be assembled easily into valuable reports, such as resident pharmacy profiles that show at-a-glance the current medication list of any resident served by Omnicare.

# Proof of Delivery Screenshot from Omniview

## Proof of Delivery

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**Main Content Area:**

- Quality and Safety
- Regulatory
- Media Center
- Pharmacy Operation
- Release Notes

**Product Item Confirmation Table:**

Product Name	Quantity	Unit	Lot	Expiration	Manufacturer	Supplier	Order Date	Order Qty	Order Unit	Order Lot	Order Expiration	Order Manufacturer	Order Supplier	Order Date	Order Qty	Order Unit	Order Lot	Order Expiration	Order Manufacturer	Order Supplier	
...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...

Order Status Screenshot from Omniview

**Omniview - Rx Order Status**

Order Status: **CONFIDENTIAL**

Order ID	Order Date	Order Status	Order Type	Order Description	Order Quantity	Order Unit	Order Lot	Order Expiration	Order Manufacturer	Order Supplier
...	...	...	...	...	...	...	...	...	...	...

**Order Details:**

Order ID: ...  
 Order Date: ...  
 Order Status: ...  
 Order Type: ...  
 Order Description: ...  
 Order Quantity: ...  
 Order Unit: ...  
 Order Lot: ...  
 Order Expiration: ...  
 Order Manufacturer: ...  
 Order Supplier: ...

You can check on the status of any order in the pharmacy workflow in real time.

Print Rx Order Status in PDF or TIF format

When it comes to cost-effective practices, risk management, and optimal resident care, the capability to accurately forecast and plan care strategies can be critical. Omniview gives facilities the most accessible, informative, in-depth tools in the industry, allowing facility staff to have the information that they need to make better decisions, sooner. And that's a capability that will mutually benefit the facility, as well as every resident of the facility.

### Reference Library

Omniview provides the latest editions of a wide variety of references. Whether there are questions about closing and interactions, safety issues, or procedures with unfamiliar drugs, staff have answers at their fingertips with Omniview's reference library.

- Clinical Pharmacy Services
- Drug Information
- Monthly Newsletters
- Pandemic Flu Customer Resource Center
- IV Infusion Policy & Pharmacy Procedure Manuals
- Medication Safety (Boxed Warnings)
- Material Safety Data Sheets
- Facility Formulary Library
- Drug Recalls & Notices
- State Operations Manual Information

### Reports & Analysis

Financial reporting in Omniview gives facility staff important perspective on pharmacy costs. Many reports highlight trends and can even project mid-year estimates and reconcile data from different budget periods. Reports offer strategic global and long-range views into facility finances, and provide windows into utilization details and patient transactions.

#### Aggregated Reports Take the Guesswork out of Decision Making

Omniview's aggregated clinical and financial management reports show facility staff the impact of implemented cost-saving measures over time. Omniview stores and calculates important measures on up to 15 months of rolling financial and clinical data.

#### Critical Information Is Available with Easy Access to Consultant Pharmacist Reports

The facility's current Consultant Pharmacist report - and all previous reports - are available on Omniview. View online or print as needed.

- Interim Medication Regimen Reviews
- Monthly Drug Regimen Reviews
- Monthly Visit Summaries
- Trend Reports

#### Control Drug Spending with Utilization Reports

Prescription medications are a large cost, but Omniview helps facilities control those costs with detailed utilization reports that highlight several key measures:

- Amount Spent  
See clearly where the bulk of pharmacy budget goes
- Number of Transactions  
Sort by the number of transactions to identify possible over-utilization
- Alpha Sort and "OTC Drug"  
Quickly find the exact medication needed

- Detail Views  
Drug indications and links to individual patient transactions are available directly from Omniview utilization reports



## Omniview - Interim Medication Regimen Review Reports

Omniview Demo Follow-up | [Migrate Main Page](#)

Report Screenshot from Omniview

Home > Omniview Core > Demo Corporation > Pharmacy Consult

### Interim Medication Regimen Review Reports

The reports in this section are Medication Regimen Reviews (MRRs) that have been conducted for residents that your facility has identified to the pharmacy as those requiring a MRR due to: a) an anticipated stay in the facility of less than 30 days OR b) a new symptom, sign or condition that may be associated with medications. This is a new process that is different than, and separate from, the current monthly drug regimen review process conducted by the consultant pharmacist. This process will help your facility comply with the regulation update in the State Operations Manual (F425, F426, F226), which took effect on December 16th, 2009.

Pharmacy:

Facility:

Name of Report:

Report Date:  to

#### Files

Facility Name	Name of Report	File Size	Date Report Submitted	Reviews Reported
	<a href="#">Short Stay</a>	19 KB	10/26/2009	1
	<a href="#">Short Stay</a>	23 KB	09/21/2008	1
	<a href="#">Short Stay</a>	23 KB	07/08/2008	1
	<a href="#">Short Stay</a>	17 KB	04/29/2008	1
	<a href="#">Short Stay</a>	12 KB	04/27/2008	1
	<a href="#">Short Stay</a>	12 KB	12/16/2007	1
	<a href="#">Change of Condition</a>	13 KB	11/24/2007	1
	<a href="#">Short Stay</a>	12 KB	10/15/2007	1
	<a href="#">Short Stay</a>	12 KB	10/14/2007	1
	<a href="#">Short Stay</a>	12 KB	10/13/2007	1
	<a href="#">Short Stay</a>	16 KB	10/12/2007	2

### Discharge to Home Module

In the event of a facility resident being discharged to home, facility staff will be able to quickly and easily use the Discharge to Home module in Omniview to have medication dispensed by Omnicare for the resident to take home upon discharge. Facility staff will enter the amount of medication to be dispensed as part of the Discharge to Home event. After the amount is entered via Omniview, a PDF record will be created which then must be printed and signed by both the facility and the resident and submitted back to Omnicare. Upon receipt of the Discharge to Home request, Omnicare will dispense the Discharge to Home medication to the resident and will include medication education materials with the dispensed medication. Any and all medications dispensed to the departing resident as Discharge to Home will be credited to the facility bill and be billed to the resident at time of discharge the facility Medicare A prescription costs. We have found that the discharged residents greatly enjoy this service as it prevents them from having to make a stop at their local retail pharmacy on their way home from the facility. In addition to the benefits described above, Omniview's Discharge to Home Module can greatly reduce facility labor costs creating savings to Ridgewood Care Center and will also allow for better auditing processes.

## E>Returns

In the event that a medication must be returned to Omnicare, Ridgewood Care Center staff can use Omniview's E-Return system to streamline this process. When using E-Return, a Ridgewood Care Center staff member will scan the medication card into Omniview which will load the patient and all of their medications on the screen. Next, the staff member will enter the amount of medication to be returned. As part of the next delivery, the Omnicare courier will retrieve the medication scheduled for return and deliver it back to our pharmacy. Upon return to the pharmacy, the E-Return medication will be scanned into our system and matched with the E-Return medication that was previously scanned by Ridgewood Care Center staff. The E-Return process reduces the labor and time required for traditional returns and allows the Ridgewood Care Center, via Omniview, to be entirely aware of the status of any and all returns and credit to be issued. The E-Return system can create cost savings and easily identifiable audit trails for the facility and provide additional speed to the crediting process.

## OMNIVIEW FOR DOCTORS

Using a secure, web-based application, Omniview for Doctors ("OmniviewDR") allows physicians to effectively and efficiently manage the needs of residents in long term care and assisted living settings.

With OmniviewDr, physicians can:

### E-Prescribe & Electronically Sign Prescriptions

OmniviewDr gives the physician the ability to enter, review, sign and send prescriptions for controlled substances electronically for increased accuracy and accountability.

### Easily Access Patient Medical Records

OmniviewDr instantly displays each resident's medications including dosages, frequency, prescription numbers, known allergies, patient diagnosis, and any ancillary orders needed to assure appropriate care.



### Order and Refill Prescriptions

OmniviewDr provides physicians with instant, mobile, paperless authorization for prescription refills, new orders, or discontinued medications.

### Receive and Reconcile Drug Regimen Reviews

At any time, physicians can access, review, and address the Consultant Pharmacist's Drug Regimen Review for patients in their care. Email notifications alert the physician of new Drug Regimen Reviews and allow for response to the pharmacist or facility online.

### Consult Reference Libraries

OmniviewDr also gives physicians instant access to a comprehensive set of searchable and printable reference

libraries. In-depth information on a variety of health care topics is available, including:

- Drug Information
- Pharmacy Policy and Procedure
- Quality and Safety
- Regulatory
- Consultant Pharmacist

#### Receive Important Notifications

The Media Center will alert users of important events such as when a Consultant Pharmacist makes patient comments or recommendations; when an End-Of-Day Drug Regimen Report is available; or when a refill authorization is requested.

#### Utilize Wellness Center Resources

Access tips and insights to help residents maintain a healthy lifestyle and stay fit, including self-assessments.

OmniviewDr is a service offered at facilities or communities utilizing Omnicare's pharmacy services as part of our standard offering.

### FACILITY EVACUATION & EMERGENCY PREPAREDNESS PLAN

Omnicare also has established plans for both facility evacuation and severe weather events and disasters which ensure that continuity of care is maintained for all patients.

These plans were successfully implemented by Omnicare, Inc. subsidiary pharmacies on the East Coast during Hurricane Sandy in 2012 and are described in further detail below.

Omnicare would handle emergency facility evacuation and prepares for emergencies as follows:

- 1) Omnicare would immediately update its courier system with the new resident location at the evacuation site. We would also ensure that additional courier personnel are available in anticipation of an increased need for STAT and emergency deliveries during the evacuation period.
- 2) We would identify if facility staff were able to bring the residents' current medications, backup and contingency supplies, house stock, medication carts, and any and all other items necessary for the provision of pharmacy services to the evacuation site.
- 3) To the extent that any of these items cannot or are not brought to the evacuation site, Omnicare will provide replacements for all items including a complete delivery of all current medications, replacement backup boxes and contingency supplies, replacement house stock, and replacement medication carts.
- 4) If no fax machine has been brought to the evacuation site, Omnicare will provide a replacement fax machine for pharmacy orders. In the event that phone lines are down, Omnicare will supply a courier who will be responsible for bringing any and all orders to the pharmacy.

- 5) Omnicare will work with all pay sources in an effort to override any and all "refill too soon" rejections and prior authorization requests in order to provide replacement of the patients' current medications. Omnicare's experienced staff has previously encountered and handled these pay source issues during prior emergency situations and we will work with the pay sources to establish the process for adjudication of any claims necessary in order to ensure continuity of care to all patients.
- 6) Omnicare will temporarily provide an employee on-site to assist facility staff with any pharmacy related business.
- 7) Ridgewood Care Center staff will be provided with the cell phone numbers and emergency contact information for all Omnicare management personnel.

Omicare also has an emergency preparedness plan in place to ensure that all medications can be provided in the event of a widespread emergency. Omnicare understands that acts of terror or natural disasters could make normal shipping and delivery difficult. Below is a summarization of our established and tested emergency preparedness plan.

Operational considerations that have been established to ensure continuance of service to Ridgewood Care Center are as follows:

- As far as is possible, business phone lines will be transferred to the answering service where calls can be picked up by managers with company cell phones. If cell phones are inoperable, we will use our courier service to communicate with other Omnicare, Inc. subsidiary branches in the region.
- In the event of building destruction, another Omnicare, Inc. subsidiary pharmacy in the region will assume operational responsibilities. Omnicare staff may be temporarily reassigned to other areas to accommodate increased branch workload.
- Facilities will be notified of the temporary phone and fax number changes via phone call and/or fax.
- Deliveries to Ridgewood Care Center will be compressed.

The following is the technical explanation of how our computer information is protected during disasters. To best outline the Omnicare disaster recovery prevention, we must divide the protection into five parts: centralized data center, proactive monitoring, fault tolerant communications, system fault tolerance, and data center recovery.

The centralized data center in Dublin, Ohio is a state-of-the-art facility with full protection for all critical systems. A 500KW Kohler diesel generator, multiple liebert uninterruptible power supplies, a surge protection system, and redundant electrical wiring provide fault tolerant protection for the electrical systems that power the data center computers, networking, and environmental controls, conditions A/C humidity, water leak detections, fire, smoke, and other environmental conditions. The area is secured by a Sonitrol security system and is monitored 24/7 by on-site staff and is protected from fire by a state-of-the-art FM 200 fire suppressions system.

Omicare, Inc. maintains technical computer staff 24/7 that has access to many tools to monitor and manage the systems. Included in that tool set is a proactive monitoring suite which tracks all aspects of pharmacy automation including networking, computer resources (i.e. utilization),

and general hardware and software conditions. This proactive monitoring suite allows the Omnicare, Inc. Information Systems Support Organization to react and in many cases pre-empt outages for the Omnicare, Inc. subsidiary pharmacies and our customers.

Fault tolerant communications refers to the design of the corporate network. This network is vital to the communication between pharmacies and the access for all pharmacies to the automation tools used for dispensing. The network is fully meshed, which provides multiple paths between the pharmacies and the data center. Each pharmacy has at least two virtual paths accessible for routing network traffic to the data center in Dublin, Ohio. A secondary backup service called ISDN is also deployed at the pharmacies. This allows the pharmacy locations to automatically dial-up the network in Dublin, Ohio in the event of a corporate frame relay outage. All aspects of the network are proactively monitored at all levels.

All critical Omnicare dispensing and communication systems are based on hardware and software that provide system fault tolerance as well. Each pharmacy can service another pharmacy's needs with coordination and planning as they share the same resources and automation tools. Omnicare utilizes IBM AS400 and HP 9000 class servers to host its data systems. All data is stored on a series of IBM and EMC storage systems. Each class of hardware has 24/7 monitoring and critical support with the associated vendors. Omnicare is prepared to handle multiple hardware failures including drive, processor, and other critical hardware without any disruption to the core pharmacy automation. Spare equipment is available to replace equipment within 4 hours of failure as necessary.

The final aspect of Omnicare recoverability is the data center recovery plan. Omnicare, Inc. has contracted with SunGard, Inc., a leader in business continuance. Via SunGard, Omnicare, Inc. has reserved equipment in Philadelphia, Pennsylvania that would be used in the event of a disaster. These systems are copies of the critical equipment used in Dublin, Ohio. Omnicare replicates data to this recovery center via a network connection. Transactions are kept up-to-date in the event of a disaster at the core data center. Each Omnicare, Inc. pharmacy has a network path to the SunGard facility, which is automatically routed in the event of a disaster at the Dublin data center. Additionally, Omnicare utilizes a second recovery center in Milford, Ohio. This data center is located 200 miles from the production center. This allows Omnicare to have additional, more immediate recovery options at its disposal. Omnicare currently uses this data center to provide zero downtime to our internal pharmacy dispensing systems.

Omnicare has multiple layers to protect our critical pharmacy automation resources. These layers are vital to business continuance. The pharmacies also have practices in place to allow them to accurately dispense medication in the event of automation failures. These manual steps are also vital to the business continuance plan. This approach is instrumental to Omnicare's success in the event of a minor or major disaster.

Omnicare takes the threat of major and minor business outages seriously. We continue to reorganize infrastructure and systems to address and prevent any potential disruptions to our automation environment. All core pharmacy systems are centralized in Dublin, Ohio and protected under the model outlined above. Omnicare will continue to re-evaluate and enhance all aspects of automation. In turn, business recovery services will also be enhanced, thus mitigating risk in a post 9/11 global community.

Omnicare is available and operational on a 24/7/365 schedule and the Omnicare, Inc. emergency preparedness plan has been implemented in numerous instances of weather disasters.



Omnicare is integrated into the national matrix of Omnicare, Inc., full realization of back-up pharmacies, the shifting of inter-state and intra-state personnel along with all necessary equipment during an emergency as needed to fully operate.

PROPOSED PRICING – OMNICARE OF MILWAUKEE

For our continued service to Ridgewood Care Center, Roeschen's Healthcare, LLC d/b/a Omnicare of Milwaukee ("Omnicare"), proposes a per diem of \$15.80 for medications provided to Medicare Part A and Managed Care patients, on the terms and subject to the conditions more fully described in the attached schedules, which are consistent with the current arrangement between Omnicare and Ridgewood Care Center.

Omnicare's consultant pharmacist and nurse consultant pricing is as follows:

Consultant Pharmacist:	\$65.00 per hour	
Nurse Consultant:	\$55.00 per hour (RN)	\$40.00 per hour (LPN)
iMRR:	\$10.00 per occurrence	



## PROPOSAL FORM

### PHARMACEUTICAL SERVICES Proposal #14-RCC-002

**PRODUCT PRICING**

In the chart below, list your charges for the following OTC's in September 2014 and the method you will use to determine subsequent pricing for 2015.

Drug	Pricing Unit	2014 Price / Unit
Acetaminophen 325mg tablet	Per tablet	\$ 0.0623
Acetaminophen 500mg caplet	Per caplet	\$ 0.0077
Docusate Sodium 150mg/15ml liquid	Per 16oz bottle	\$ 3.06
Docusate Sodium 250mg capsule	Per capsule	\$ 0.0327
Senna-S tablet	Per tablet	\$0.0143
Multivitamin w/Minerals	Per tablet	\$0.0397
Calcium 500mg w/Vitamin D	Per tablet	\$ 0.0239

What formula is used (currently) for bulk OTC pricing?

AWP + -20 %

Future Pricing (% Change):

Year 2016 0%

Year 2017 0%

Year 2018 0%

PROPOSAL FORM (cont'd)

PHARMACEUTICAL SERVICES  
 Proposal #14-RCC-002

**SERVICE HOURS / PRICING**

Indicate the estimated hours needed to fulfill the consultation services listed below, the hourly charge, and the percentage increase in the years 2016, 2017 and 2018.

Service	Hours Per Month	Hourly Rate 2015	Percent Increase 2016	Percent Increase 2017	Percent Increase 2018
Drug Regimen Review	20	\$65	0%	0%	0%
Nursing Station Check	1	\$65	0%	0%	0%
Consultation During State/Federal Survey &/or Verification Visits	As needed	\$65	0%	0%	0%
Quality Improvement & Assessment Comm. Quarterly	.3	\$65	0%	0%	0%
Infection Control Meeting, Quarterly	0	\$65	0%	0%	0%
Admission PPS Consultation	0	\$65	0%	0%	0%
Other Facility Committees	0	\$65	0%	0%	0%

## SCHEDULE 4(a)

Pricing for COUNTY-Pay Products and Services

1. **Capitated Rate.**
  - (a) As compensation for oral/topical medications provided by CONTRACTOR to COUNTY residents who are covered under the Medicare prospective payment system or a managed care arrangement pursuant to which COUNTY is paid a capitated rate that covers such medications, other than the medications listed in Schedule 4(b) ("Excluded Medications"), COUNTY shall pay CONTRACTOR a rate of fifteen dollars and eighty cents (\$15.80) per resident per day (the "Capitated Rate"). For the avoidance of doubt, the cost of medications and other Pharmacy Products and Services not covered under the Medicare prospective payment system or a capitated managed care arrangement (e.g. non-covered medications for which COUNTY may be responsible) as well as consultant services, nursing services, nursing education/certification programs and other services for which rates other than the Capitated Rate are specified in Schedule 4(c) shall not be included in the Capitated Rate.
  - (b) The Capitated Rate shall be charged for each Medicare/managed care patient day at the COUNTY facility during the applicable month (including the date of admission and the date of discharge).
2. **Exclusion Rate.** For Excluded Products and Services COUNTY shall pay CONTRACTOR the rates specified in Schedule 4(c) of this Agreement (the "Exclusion Rate").
3. **Adjustment:**
  - (a) At the end of each six (6) month period that this Agreement is in effect (each, a "Measurement Period"), a comparison capitated rate for each such Measurement Period (a "True-Up Rate") shall be calculated using the rates listed in Schedule 4(c) of this Agreement.
  - (b) If the Capitated Rate in effect during a Measurement Period was less than or greater than the True-Up Rate calculated for such Measurement Period, then the Capitated Rate shall be increased or decreased, as appropriate, by an amount equal to fifty percent (50%) of the difference between the Capitated Rate and the applicable True-Up Rate, effective as of the beginning of the succeeding Measurement Period.
4. **Compliance Review.**
  - (a) CONTRACTOR and COUNTY represent that, as of the Commencement Date, the Capitated Rate and the Exclusion Rate represent commercially reasonable charges for County-pay Pharmacy Products and Services that the parties anticipate will be provided by CONTRACTOR under this Agreement, taking into account utilization and other appropriate factors with respect to COUNTY and its residents.
  - (b) CONTRACTOR shall, in accordance with its policy, periodically review the then-current Capitated Rate and Exclusion Rate to ensure that such rates remain commercially reasonable for purposes of legal and regulatory compliance (a "Compliance Review").
    - (i) Each Compliance Review shall include a comparison of amounts billed to COUNTY for COUNTY-pay Pharmacy Products and Services at the Capitated Rate and the Exclusion Rate over the three (3) previous calendar months (the "Review Period") to CONTRACTOR's costs of providing such COUNTY-pay Pharmacy Products and Services during the Review Period.

- (ii) In performing this analysis CONTRACTOR shall, if appropriate, adjust its data to account for any known anomalies in the actual medication experience of COUNTY's residents (e.g., atypical patient acuity and/or utilization during the Review Period).
  - (iii) If CONTRACTOR determines that legal and regulatory compliance considerations require adjustments to the Capitated Rate and/or the list of Excluded Products and Services set forth in Schedule 3.1(c), it shall promptly provide written notice of such adjustments to COUNTY (an "Adjustment Notice"). Such adjustments shall be effective on the first (1<sup>st</sup>) day of the calendar month following the thirtieth day after the date that CONTRACTOR provided the applicable Adjustment Notice.
  - (iv) A Compliance Review may identify situations under which a lower Capitated Rate may be warranted because the amounts billed to COUNTY for medications subject to the Capitated Rate significantly exceed the charges that would have been billed if the same medications had been billed using the Exclusion Rate during the Review Period. In such circumstances CONTRACTOR agrees to negotiate in good faith an appropriate downward adjustment of the then-current Capitated Rate.
4. **Definitions.** For purposes of this Agreement the following terms shall have the following meanings:
- (a) "AWP" shall mean average wholesale price as reported by such third-party pricing service (e.g., First DataBank or Medi-Span) as CONTRACTOR may utilize from time-to-time; provided, that if AWP is no longer reported by a third-party pricing service acceptable to CONTRACTOR, or is modified so as to no longer represent equivalent prices published by manufacturers that applied under the third-party pricing service used by CONTRACTOR prior to such modification or cessation of publication, CONTRACTOR may amend this Agreement with written notice to COUNTY to substitute another pricing measure that is then in use generally in the pharmacy industry, and/or make any modifications to the pricing formulas hereunder which CONTRACTOR reasonably determines may be necessary to prevent such change from having an economic effect on the pricing under this Agreement.
  - (b) "WAC" shall mean wholesale acquisition cost as reported by such third-party pricing service (e.g., First DataBank or Medi-Span) as CONTRACTOR may utilize from time to time; provided that if WAC is no longer reported by a third-party pricing service acceptable to CONTRACTOR, or is modified so as to result in a change in the parties' relative economic positions under this Agreement, CONTRACTOR may amend this Agreement with written notice to COUNTY to substitute another pricing measure that is then in use generally in the pharmacy industry, and/or make any modifications to the pricing formulas hereunder which CONTRACTOR reasonably determines may be necessary to prevent such change from having an economic effect on the pricing under this Agreement.
  - (c) "MAC" shall mean Wisconsin maximum allowable cost as reported by such third-party pricing service (e.g., First DataBank) as CONTRACTOR may utilize from time-to-time; provided, that if MAC is no longer reported by a third-party pricing service acceptable to CONTRACTOR, or is modified so as to no longer represent equivalent prices published by manufacturers that applied under the third-party pricing service used by CONTRACTOR prior to such modification or cessation of publication, CONTRACTOR may amend this Agreement with written notice to COUNTY to substitute another pricing measure that is then in use generally in the pharmacy industry, and/or make any

modifications to the pricing formulas hereunder which CONTRACTOR reasonably determines may be necessary to prevent such change from having an economic effect on the pricing under this Agreement.

**5. Miscellaneous.**

- (a) COUNTY's Medical Director and other administrative personnel shall work with CONTRACTOR to implement the CONTRACTOR's clinical and purchase recommendations.
- (b) In the event that a resident is receiving medications from CONTRACTOR at the time of discharge, CONTRACTOR shall bill the resident directly for medication consumed following the date of discharge.

Schedule 4(b)

Excluded Products and Services

Chemotherapy  
Migrane Medications  
Over-the-Counter Medications  
Antivirals  
HIV Meds  
IV Medications  
Antineoplastics  
Devices  
Erectile Dysfunction drugs  
Glycogenolytic agents  
Hematopoetics  
Low Molecular Weight Heparins  
MS Injectible drugs  
Oxazolidinones  
Pulmonary Hypertension drugs  
Specialty Pharmacy drugs  
Arformoterol Tartrate  
Aripiprazole  
Colchicine  
Diclofenac Epolamine  
Diclofenac Sod Gel  
Dronedarone HCl  
Exelon Patches  
Ezetimibe/Simvastatin  
Febuxostat  
Fidaxomicin  
Levalbuterol HCl  
Oseltamivir Phosphate  
Paliperidone  
Paliperidone Palmitate  
Phytonadione  
Pnemococcal Vaccine  
Rifaximin  
Risperdal Consta  
Rivaroxaban  
Roflumilast  
Tobramycin in 0.225% NaCl  
Any drug with a cost greater than \$750 per month



Schedule 4(c): Ridgewood Care Center			
PHARMACY PRODUCTS AND SERVICES			
ITEM	PRICE		
<b>PRICING INFORMATION FOR NON IV'S AND NON TPN'S</b>			
Facility Pricing True Up Terms (Patient Specific) - Rx Brands (All Except IV & TPN):	WAC + 7% + \$3.88		
Facility Pricing True Up Terms (Patient Specific) - Rx Generics >=3 Manufacturers (All Except IV & TPN):	MAC + \$3.88 then WAC + 7% + \$3.88		
Facility Pricing True Up Terms (Patient Specific) - Rx Generics <3 Manufacturers (All Except IV & TPN):	MAC + \$3.88 then WAC + 7% + \$3.88		
Facility Pricing True Up Terms (Patient Specific) - OTC Brands (All Except IV & TPN):	AcQ + 7% + \$2.25		
Facility Pricing True Up Terms (Patient Specific) - OTC Generics >=3 Manufacturers (All Except IV & TPN):	AcQ + 7% + \$2.25		
Facility Pricing True Up Terms (Patient Specific) - OTC Generics <3 Manufacturers (All Except IV & TPN):	AcQ + 7% + \$2.25		
House Stock - Bulk OTC's:	AWP-20%		
House Stock - Bulk Vaccines:	AWP-20%		
<b>IV PRICING</b>			
	<b>Medications</b>	<b>Supplies</b>	
All IV Push/Injectable Medications:	Same as Oral Price Terms		
Billed to Facility: IV Hydration: All Volumes (including Potassium):	AcQ + 25% + \$5.00 per Rx	No Per Diem	Invoice Cost+30%
Billed to Facility: IV Hydration 24 Hour Bag > 1000ml - Surcharge (when requested by the facility):		Per Day	\$7.50
Billed to Facility: TPN: 1 Liter (Up to 1000ml) (Includes dextrose, AA, Electrolytes, Trace Elements, Lipids):	\$120 per day	No Per Diem	Invoice Cost+30%
Billed to Facility: TPN: 2 Liter (1001ml to 2000ml) (Includes dextrose, AA, Electrolytes, Trace Elements, Lipids):	\$140 per day	No Per Diem	Invoice Cost+30%
Billed to Facility: TPN: 3 Liter (2001ml and greater) (Includes dextrose, AA, Electrolytes, Trace Elements, Lipids):	\$160 per day	No Per Diem	Invoice Cost+30%
Billed to Facility: All Additives:	Same as Oral Price Terms	No Per Diem	\$0.00
Billed to Facility: IV Antibiotics - Infusion (drug & solution)**: QD	AcQ + 12% + \$10.00	No Per Diem	Invoice Cost+30%
Billed to Facility: IV Antibiotics - Infusion (drug & solution)**: BID	AcQ + 12% + \$10.00	No Per Diem	Invoice Cost+30%
Billed to Facility: IV Antibiotics - Infusion (drug & solution)**: TID	AcQ + 12% + \$10.00	No Per Diem	Invoice Cost+30%
Billed to Facility: IV Antibiotics - Infusion (drug & solution)**: QID+	AcQ + 12% + \$10.00	No Per Diem	Invoice Cost+30%
Billed to Facility: IV Antibiotic 24 Hour Bag w/ >1 dose per bag Surcharge (when requested by the facility):		Per Day	\$15.00
Billed to Facility: IV Pain - Infusion (continuous infusion (drug & solution)**):	AcQ + 12% + \$35.00	No Per Diem	Invoice Cost+30%
Billed to Facility: IV Chemo - Infusion (drug & solution)**):	AcQ + 12% + \$15.00	No Per Diem	Invoice Cost+30%
Billed to Facility: All Other IV Therapies Not Specified (drug & solution)**:	AcQ + 12% + \$15.00	No Per Diem	Invoice Cost+30%
Billed to Facility: IV Flushes:	Same as Oral Price Terms		
Billed to Facility: Diluents:	AcQ + 12% + \$5.00		
Billed to Facility: Specialty Pump (Sigma Spectrum, CADD, Curlin, Garnstar):	Fee For Service Rental Rate	Per Day	\$10.00
Billed to Facility: Standard Pole Mounted Pump:	Fee For Service Rental Rate	Per Day	\$8.00
Billed to Facility: IV Catheter Care Supplies (Not Including Flush):		- Not Applicable	Invoice Cost+30%
House Stock: House Stock - IV Supplies:	Invoice Cost+30%		
House Stock: House Stock - Pump (if applicable):	Fee For Service Rental Rate	Per Day	\$7.00
<i>**Fee includes Dispensing, Clinical Management and Compounding Fees</i>			
<b>INFUSION NURSING SERVICES</b>			
	<b>Services</b>	<b>Supplies</b>	
Peripheral IV Insertion:	\$145.00 Per Insertion		Invoice Cost+30%
Midline IV Insertion:	\$275.00 Per Insertion		Invoice Cost+30%
Midline IV Insertion w/ Ultrasound (Additional Fee):	\$75.00 Per Insertion		Invoice Cost+30%
PICC Insertion:	\$375.00 Per Insertion		Invoice Cost+30%
PICC Insertion w/ Ultrasound (Additional Fee):	\$75.00 Per Insertion		Invoice Cost+30%
PICC Removal/Non-Tunneled Catheter:	\$145.00 Per Removal		Invoice Cost+30%
Doctor/Repair Central Catheter:	\$160.00 Per Repair		Invoice Cost+30%
Infusion Nurse After Hours Fee:	\$75.00 Per Visit		
Infusion Nurse Consulting Service:	\$75.00 Per Hour		
<b>NURSING EDUCATION/CERTIFICATION PROGRAMS</b>			
	<b>Education / Certification</b>		<b>Attendance Requirement</b>
Parenteral Nutrition (TPN, PPN):	\$50.00	Fee Per Person Per Day	Minimum 4, Maximum 12
Central Venous Access Devices:	\$50.00	Fee Per Person Per Day	Minimum 4, Maximum 12
Pain Management - Patient Controlled Analgesia (PCA):	\$50.00	Fee Per Person Per Day	Minimum 4, Maximum 12
Management of Inotropics in the Heart Failure Resident:	\$50.00	Fee Per Person Per Day	Minimum 6, Maximum 12
Clearing Thrombotic Occlusions in Central Vascular Access Devices:	\$50.00	Fee Per Person Per Day	Minimum 4, Maximum 12
IV Push Administration:	\$25.00	Fee Per Person Per Day	Minimum 6, Maximum 12
Hypodermoclysis:	\$50.00	Fee Per Person Per Day	Minimum 6, Maximum 12
PICC Removal:	\$50.00	Fee Per Person Per Day	Minimum 4, Maximum 12
Documentation/IV POS/MAR Forms:	\$25.00	Fee Per Person Per Day	Minimum 6, Maximum 12
Certifications > 10 Hours (Includes State Specific Programs):	\$75.00	Fee Per Person Per Day	Minimum 8, Maximum 12
Essentials of Infusion Therapy - 2 Day Class:	\$75.00	Fee Per Person Per Day	Minimum 6, Maximum 12
Nursing CEUs:	\$10.00	Fee Per Person	-
All Other Classes/Certifications/Training (specify in comments):	\$75.00	Fee Per Person Per Day	Minimum 8, Maximum 12

## ATTACHMENT to Schedule 4(c)

**Special Pricing for Rx Oral/Topical Medications**  
(Supersedes Pricing Specified in Attachment I for Listed Medications)

Drug Name	NDC	Price Per Unit* (GM, ML, and Each)	Dispensing Fee**
ENOXAPARIN 100 MG/ML SYR	00781350069	\$40.64	\$3.88
ENOXAPARIN 120 MG/0.8 ML SYR	00781361268	\$60.99	\$3.88
ENOXAPARIN 150 MG/ML SYR	00781365569	\$60.99	\$3.88
ENOXAPARIN 30 MG/0.3 ML SYR	00781313363	\$40.59	\$3.88
ENOXAPARIN 300 MG/3 ML VIAL	00781312293	\$42.29	\$3.88
ENOXAPARIN 40 MG/0.4 ML SYR	00781322464	\$40.59	\$3.88
ENOXAPARIN 60 MG/0.6 ML SYR	00781335666	\$40.65	\$3.88
ENOXAPARIN 80 MG/0.8 ML SYR	00781342868	\$40.65	\$3.88

\*The Prices set forth in this Attachment, shall not be modified during the term of this Agreement unless Omnicare provides written notice. In the event that Omnicare provides such notice, Omnicare shall negotiate in good faith to increase the Price for the applicable medication. Medications may only be added to or deleted from this Attachment by mutual agreement of the parties.

\*\*Notwithstanding any provision to the contrary in any Standard Facility Agreement, a dispensing fee shall be payable with respect to each fill of a medication listed on this Attachment.

**EXHIBIT "C"**

**BUSINESS ASSOCIATE AGREEMENT**

THIS ORIGINAL AGREEMENT between the parties which is titled Ridgewood Pharmaceutical Contract 2016 and dated \_\_\_\_\_, 2015 and entered into by and between Racine County, (hereinafter referred to as "PURCHASER") and Roeschen's Healthcare, LLC d/b/a. Omnicare of Milwaukee, (hereinafter referred to as "PROVIDER").

FOR GOOD AND VALUABLE CONSIDERATION, the parties agree as follows:

1. This Business Associate Agreement is for the purpose of complying with the Health Insurance Portability and Accountability Act of 1996 (hereinafter referred to as "HIPAA"). The parties mutually agree to modify this Business Associate Agreement during the term of the contract to incorporate into the terms of this Business Associate Agreement any terms necessary to comply with any of the requirements of HIPAA or HIPAA's implementing regulations, Title 45, Parts 160 and 164 of the Code of Federal Regulations ("Privacy Rule"), and Title 45, Part 142 of the Code of Federal Regulations ("Security Rule"), and Title 45, Part 162 of the Code of Federal Regulations ("Transaction Rule").

2. Definitions. Terms used but not otherwise defined in this Business Associate Agreement shall have the same meaning as those terms in HIPAA and in 45 CFR 145, 160, 162 and 164.

3. Obligations and Activities of PROVIDER.

- a. PROVIDER agrees to not use or further disclose protected health information other than as is permitted or required by this Agreement, the ORIGINAL AGREEMENT between the parties, or as required by law.
- b. PROVIDER agrees to use appropriate safeguards to prevent use or disclosure of the Protected Health Information other than as provided by this Agreement.
- c. PROVIDER agrees to report to PURCHASER any use or disclosure of the protected health information not provided for by this Agreement.
- d. PROVIDER agrees to insure that any agent, including a subcontractor, to whom it provides protected health information

received from or received by PROVIDER on behalf of PURCHASER agrees to the same restrictions and conditions that apply to this Agreement to PROVIDER with respect to such information.

- e. PROVIDER agrees to make internal practices, books and records relating to the use and disclosure of protected information received from or created or received by PROVIDER, on behalf of PURCHASER, available to the PURCHASER, or at the request of the PURCHASER, to the Secretary, in a time and manner designated by the PURCHASER or the Secretary, for purposes of the Secretary determining PROVIDERS compliance with HIPAA Rules.
- f. PROVIDER agrees to document such disclosures of protected health information and information related to such disclosures as would be required for PURCHASER to respond to a request by an individual for an accounting of disclosures of protected information in accordance with the HIPAA regulations.
- g. PROVIDER agrees to provide PURCHASER or an individual, in a time and manner designated by PURCHASER, information collected in accordance with subsection f. of this section of this contract to permit PURCHASER to respond to a request by an individual for an accounting and disclosure of protected health information in accordance with HIPAA regulations.
- h. In the event that an individual requests an amendment to his records in accordance with the HIPAA Regulations, the PROVIDER shall amend the records upon notice from PURCHASER or participate as needed in the amendment process created by PURCHASER.

3. General Uses. Except as otherwise limited in this Agreement, PROVIDER may use or disclose protected health information to provide functions, activities or services for, or on behalf of, PURCHASER as specified in the original Agreement, provided that such user disclosure would not violate HIPAA or the HIPAA Regulations if done by PURCHASER.

4. Obligations of Purchaser.

- a. PURCHASER shall provide PROVIDER with the Notice of Privacy Practices that the PURCHASER produces in accordance with HIPAA regulations as well as any changes to such notice.

- b. PURCHASER shall provide PROVIDER with any changes in or revocation of, permission by an individual to use or disclose protected health information, if such changes affect PROVIDERS permitted or required uses and disclosures.
  - c. PURCHASER shall notify PROVIDER of any restriction to the use or disclosure of protected health information that PURCHASER has agreed to in accordance with HIPAA Regulations.
5. Term and Termination.
- a. The term of this Agreement shall be effective as of the effective date of the ORIGINAL AGREEMENT and shall terminate upon the termination of the ORIGINAL AGREEMENT but all of the obligations of the PROVIDER in regard to protected health information which has been provided by the PURCHASE to PROVIDER or created or received by PROVIDER on behalf of the PURCHASER shall remain in full force and affect until such protected health information is destroyed or returned to PURCHASER or, if it is infeasible to return or destroy protected health information, protections are extended to such information in accordance with the termination provisions in this section.
  - b. Termination for cause. Upon PURCHASER's knowledge of a material breach by PROVIDER, PURCHASER shall provide an opportunity for PROVIDER to cure the breach and end the violation. PURCHASER retains the right to terminate this Agreement and the ORIGINAL AGREEMENT if PROVIDER does not cure the breach or end the violation within the time specified by PURCHASER.
  - c. Ridgewood Care Center shall have the right to terminate or suspend all or any part of the work under this contract or to decrease the amount thereof, and, in such case, the successful supplier shall be paid of the work done and materials furnished at the rates fixed hereunder as estimated by the supplier and approved by the County; but in any case, Ridgewood shall not be held liable for any cost or profit for work not yet done.

Any negligent act or omission on the part of the successful supplier or its employees which meets the criteria of resident abuse or misappropriation of property as outlined in HSS 132 (or as amended) and/or the Federal code shall be grounds for immediate termination of this contract. Suppliers work staff assigned to Ridgewood shall work within the guidelines set forth by appropriate State and Federal statutes.

6. Affect of Termination.

- a. Except as provided in subsection b. of this section, upon termination of this Agreement, for any reason, PROVIDER shall return or destroy all protected health information received from PURCHASER or created or received by PROVIDER on behalf of PURCHASER. This provision shall apply to protected health information that is in the possession of subcontractors or agents of PROVIDER. PROVIDER shall retain no copies of protected health information.
- b. In the event that PROVIDER determines that returning or destroying the protected health information is infeasible, PROVIDER shall provide to PURCHASER notification of the conditions that make return or destruction infeasible. Upon mutual agreement of the parties that return or destruction of the protected health information is infeasible, PROVIDER shall extend the protections of this agreement to such protected health information and limit further uses and disclosure of such protected health information to those purposes that the make the return or destruction infeasible for so long as PROVIDER maintains such protected health information.

RACINE COUNTY

By:

By:

*Jonathan Delagrave*  
JONATHAN DELAGRAVE  
RACINE COUNTY EXECUTIVE

REVIEWED BY FINANCE DIRECTOR

*Alexandra Tillman* 12/10/15  
Sign Date

12.18.15  
Date  
Certified to be correct as to form  
By: *[Signature]*  
Racine County Corporation Counsel

PROVIDER

By:

*[Signature]*  
Wendy M. Christensen  
Racine County Clerk 11/2/16