

MEMBER PHARMACY AGREEMENT

This Member Pharmacy Agreement (this "Agreement"), is entered into between ACS State Healthcare, LLC, (formerly known as Consultec) with principal offices at 9040 Roswell Road, Atlanta, Georgia 30350 ("ACS"), and _____, with principal offices at _____ ("Member Pharmacy").

The location and National Council of Prescription Drug Programs (NCPDP) number of each pharmacy covered under this Agreement is listed in Exhibit A.

This Agreement is entered into with reference to the following facts:

- A. ACS is engaged in the administration of prescription drug benefit plans, and
- B. Member Pharmacy is duly authorized to dispense prescription medications in the jurisdictions in which they operate retail pharmacies; and
- C. ACS desires to engage Member Pharmacy as part of its pharmacy network under the terms and conditions set forth in this Agreement in order to serve the **Ohio Bureau of Workers' Compensation (OHWC)** and Injured Workers' who may be eligible for benefits under BWC's pharmacy benefits program (as defined in this Agreement).

Accordingly the parties agree as follows:

1. DEFINITIONS

Average Wholesale Price: AWP means the average wholesale cost of the Covered Pharmacy Service(s) for pints, quantities of 100 units, or in such other quantity at which the Covered Pharmacy Service(s) is most commonly sold at wholesale as reported by First Data Bank/Blue Book and updated in the ACS PDCS weekly.

Co-payment: The portion of the Prescription Charge for which the Injured Worker is responsible.

Covered Services: Those prescription drugs, injectibles, compounds, and other items which are covered by BWC and which are prescribed by an authorized, licensed medical practitioner permitted to do so by applicable state and federal law.

Dispense as Written (DAW) code: DAW code will mean the standard dispense as written code as developed and maintained by the National Council for Prescription Drug Programs (NCPDP), as revised from time to time, which indicated the reason for the dispensing of a Multi-Source Brand Named Medication.

Generic Drug: A drug identified by its chemical or non-proprietary name (as determined by the United States Adopted Names Council) and included in the U.S. Food and Drug Administrations' ("Orange Book") and considered to be therapeutically equivalent and readily substitutable by the laws of the state in which the Member Pharmacy conducts business.

Maximum Allowable Cost (MAC): MAC will mean the compensation level established by the Centers for Medicare and Medicaid Services (CMS) (formerly known as the HCFA FUL).

Multi-Source Brand Medication: Those branded prescription medications for which there is a generic alternative that is readily substitutable under applicable federal and state laws.

Injured Worker: An employee eligible to receive covered benefits through the Ohio Bureau of Workers' Compensation as the result of an industrial accident or occupational disease. The employee is considered an Injured Worker for purposes of pharmacy bill submission even before a first report of injury has been filed.

BWC (Ohio Bureau of Workers' Compensation): The entity for whom ACS provides pharmacy management and administrative services. BWC's program reimburses for the provision of Covered Services to Injured Workers as described in Exhibit B.

2. RESPONSIBILITIES OF ACS

- A. ACS will pay Member Pharmacy in accordance with the provisions of Section 4 to this Agreement.
- B. ACS will provide Member Pharmacy the specifications relating to BWC's plan in order to allow Member Pharmacy to provide Covered Services to Injured Workers.
- C. ACS will provide a Payment Sheet to Member Pharmacy that details specific electronic transmittal requirements for Member Pharmacy to ensure proper reimbursement for Covered Services.
- D. ACS will provide weekly, a remittance statement that details claims paid. This remittance statement will be in a form consistent with pharmacy industry standards and mutually agreed upon between ACS and Member Pharmacy.

3. RESPONSIBILITIES OF MEMBER PHARMACY

- A. Member Pharmacy will provide to each eligible Injured Worker those Covered Services in accordance with benefit plan descriptions provided by BWC to ACS and further detailed in Exhibit B of this Agreement. Member Pharmacy understands that benefit plan descriptions may be amended by BWC from time to time. Member Pharmacy reserves the right to refuse to participate in BWC's program provided that Member Pharmacy gives ACS at least ten (10) days written notice of its intention not to participate in such plan.
- B. Member Pharmacy will exercise commercially reasonable efforts to make covered medications available to Injured Workers; however, it is understood and agreed that Member Pharmacy has the right to refuse Covered Services to any Injured Worker where such service would violate pharmacy ethics or applicable pharmacy laws or regulations.

- C. Member Pharmacy will submit to ACS, via a point-of-sale (POS) device or personal computer, information on each prescription dispensed to eligible injured workers.
- D. Member Pharmacy agrees that it will keep a signature log of verifying receipt by Injured Worker of applicable Covered Services.
- E. Member Pharmacy agrees that it will provide updates to Exhibit A as it opens and closes locations of individual retail pharmacy locations. Such updates will: (i) be provided in a format mutually agreed between the parties and (ii) be integrated into, and become a part of, this Agreement.

4. PAYMENT

ACS will reimburse Member Pharmacy in accordance with the terms of Exhibit B. Member Pharmacy understands that ACS will not make such reimbursement unless and until ACS receives payment from BWC for such invoiced amounts.

5. RECORDS AND AUDITS

Member Pharmacy will maintain prescription drug and pharmaceutical purchasing records for all Injured Workers to whom Covered Services have been provided. These records must be kept for a time period and in a form that meets all requirements of applicable federal and state laws and licensing regulations. ACS or an ACS designated third party will conduct audits of its business operations relative to the transactions contemplated by this Agreement. In the event that any irregularities relating to the Covered Services provided by Member Pharmacy are discovered by such auditing, Member Pharmacy agrees that it will provide or otherwise make available any information in Member Pharmacy's possession relative to such audit, subject to all confidentiality laws. In the event that ACS (and/or its third party auditors) wish to conduct an audit on Member Pharmacy's premises, such audits will be conducted during normal business hours with reasonable prior notification to Member Pharmacy. Member Pharmacy understands that audits may take place at any time during the term of this Agreement and within one year after termination.

Should an audit determine that a claim submission(s) resulted in an overpayment to Member Pharmacy, then ACS will have the right to recover from Member Pharmacy the amount of the overpayment. Conversely, Member Pharmacy will have the right to recover valid underpayments.

6. CONFIDENTIALITY

- A. Certain information which the Parties may exchange from time to time may be considered by the Party disclosing such information to be confidential and proprietary in nature, including but not limited to: (1) any Designated Records or Protected Health Information, (2) any ACS proprietary software licensed or otherwise made available to Customer, (3) business plans or records of each Party made available to the other and (4) any and all such other information that the disclosing Party specifies as confidential and provides to the receiving Party ("Confidential Information"). The parties agree to treat any and all Confidential Information that may be exchanged with the same degree of care with which they treat their own similar information that they consider to be confidential or proprietary in nature.

- B. The obligations of confidentiality will not apply to any Confidential Information that is (1) publicly available or becomes so in the future without restriction, (2) rightfully received by either Party from a third party and not accompanied by confidentiality obligations, (3) already in the receiving Party's possession and lawfully received from sources other than the disclosing Party, (4) independently developed by the receiving Party, (5) approved in writing for release or disclosure without restriction by the disclosing Party.
- C. The terms of this Section will not preclude the disclosure of Confidential Information by either Party if such disclosure is (1) in response to a valid order of a court or other governmental body of the United States or any political subdivision thereof, (2) otherwise required by law or (3) necessary to establish rights under this Agreement, provided however, that the parties will limit the disclosure to the extent required for such purposes.

7. NON-LIABILITY AND INDEMNIFICATION

- A. Member Pharmacy agrees to indemnify, defend and hold harmless ACS, its officers, agents, and employees from any claim, injury, demand (including reasonable attorney fees), or judgment based upon contract, tort, or other grounds (including warranty or merchantability) arising out of the sale, compounding or dispensing by Member Pharmacy, of any prescription drug service provided by Member Pharmacy pursuant to this Agreement.
- B. ACS agrees to indemnify, defend and hold harmless Member Pharmacy, its officers and employees from any claim, injury, demand or judgment, including reasonable attorney fees, resulting from ACS' performance or non-performance of its responsibilities under this Agreement.
- C. ACS will not be liable or responsible for any failure of BWC to make payments pursuant to Paragraph 4 above; however, it will take all steps reasonably necessary to cause BWC to make payments to Member Pharmacy for all services rendered hereunder.

8. HOLD HARMLESS

Member Pharmacy agrees that it will not bill, charge, collect a deposit from, seek reimbursement from, or otherwise have any recourse against an Injured Worker pursuant to this Agreement. This includes but is not limited to non-payment by ACS, insolvency, or breach of this Agreement. This provision will not prohibit the collection of monies for prescription drugs not covered under the Prescription Benefit Plan, or Co-payments and other charges that are the direct responsibility of the Injured Worker as defined in Exhibit B. Member Pharmacy agrees that this provision will survive the termination of this Agreement.

9. TERMINATION

- A. This Agreement may be terminated by either party with or without cause upon thirty (30) days prior written notice to the other party, except that the Agreement may be terminated by ACS without such prior written notice in the event that Member Pharmacy has its pharmacy license revoked or suspended, or otherwise materially violates the terms of this Agreement. Upon such termination, the rights of Member Pharmacy pursuant to this Agreement will automatically cease and terminate.

- B. Member Pharmacy may terminate its participation in BWC's program upon thirty (30) days prior written notice to ACS.

10. **TERM**

This Agreement will become effective on the date that it is first signed by an authorized representative of ACS and remain in effect for an initial period of one year, unless earlier terminated in accordance with Paragraph 9. It will automatically renew from year to year thereafter unless terminated in accordance with Paragraph 9 above.

11. **NO EXCLUSION FROM FEDERAL HEALTH CARE PROGRAMS**

ACS is not excluded from participation in any federal healthcare programs, as defined under 42 U.S.C section 1230a-7b(f) and to its knowledge, there are no pending or threatened governmental investigations that may lead to such exclusion.

12. **MISCELLANEOUS**

- A. Either party will be excused from delays in performing or from its failure to perform hereunder to the extent that such delays or failures result from causes beyond the reasonable control of such party. The party whose performance has been delayed or prevented will act diligently to resume performance as soon as reasonably possible.
- B. Nothing in this Agreement will be deemed to create a partnership, joint venture or similar relationship between the parties and, except as otherwise expressly provided herein, no party will be deemed to be the agent of the other party, it being understood and agreed that neither the method of computing compensation nor any other provision contained herein will be deemed to create any relationship between the parties hereto other than the relationship of independent parties contracting for services. Neither party has or will hold itself out as having any authority to enter into any contract or create any obligation or liability on behalf of, in the name of, or binding upon the other party.
- C. This Agreement may be executed in several counterparts, all of which taken together will constitute one single Agreement between the parties.
- D. The Exhibits referred to in this Agreement and attached, or to be attached, are incorporated into and made subject to this Agreement.
- E. Where agreement, approval, acceptance, or consent by either party is required by any provision of this Agreement, such action will not be unreasonably conditioned, delayed or withheld.
- F. All questions concerning the validity, interpretation and performance of this Agreement will be governed by and decided in accordance with the laws of the State of Georgia, exclusive of its conflicts of laws principles.
- G. All disputes, controversies, or differences arising out of this Agreement or any breach thereof will be finally settled under the Commercial Arbitration Rules established by the American Arbitration Association then in effect. The arbitration will take place in Atlanta, Georgia and will apply the governing law of this Agreement. The decision of the arbitrators will be final and binding and judgment on the award may be entered in any court of competent jurisdiction. The arbitrators will be instructed to state the reasons for their decisions, including findings of fact

and law. The arbitrators will be bound by the warranties, limitations of liability, and other provisions of this Agreement in rendering their decision. Unless otherwise directed by Customer in writing, ACS will continue to perform the Services pursuant to this Agreement during arbitration, and Customer will continue to pay the Fees. Within ten (10) days after delivery of written notice ("Notice of Dispute") by one party to the other in accordance with this Section, the parties each will use good faith efforts to mutually agree upon one (1) arbitrator. If the parties are not able to agree upon one (1) arbitrator within such period of time, each of the parties will within ten (10) days (i) appoint one (1) arbitrator who has at no time ever represented or acted on behalf of either of the parties hereto, and is not otherwise affiliated with or interested in either of the parties, and (ii) deliver written notice of the identity of such party and a copy of his or her written acceptance of such appointment to the other party. If either party fails or refuses to appoint an arbitrator within such ten (10) day period, the single arbitrator appointed by the other party will decide alone the issues set out in the Notice of Dispute. Within ten (10) days after such appointment and notice, such arbitrators will appoint a third arbitrator. In the event the two arbitrators fail to appoint a third arbitrator within ten (10) days of the appointment of the second arbitrator, either arbitrator or either party may apply for the appointment of a third arbitrator to the American Arbitration Association. All arbitrators selected pursuant to this Section will be practicing attorneys with at least five (5) years experience in technology law applicable to the Services. Any such appointment will be binding upon the parties. The parties will use best efforts to set the arbitration within sixty (60) days after selection of the arbitrator or arbitrators, as applicable, but in no event will the arbitration be set more than ninety (90) days after selection of the arbitrator or arbitrators, as applicable. Discovery as permitted by the Federal Rules of Civil Procedure then in effect will be allowed in connection with arbitration to the extent consistent with the purpose of the arbitration and as allowed by the arbitrator or arbitrators, as applicable. The decision or award of the arbitrator or the majority of the three arbitrators, as applicable, will be rendered within fifteen (15) days after the conclusion of the hearing, in writing, will set forth the basis therefor, and will be final, binding and nonappealable upon the parties and may be enforced and executed upon in any court having jurisdiction over the party against whom the enforcement of such decision or award is sought. Each party will bear its own arbitration costs and expenses and all other costs and expenses of the arbitration will be divided equally between the parties; provided, however, the arbitrator or arbitrators, as applicable, may modify the allocation of fees, costs and expenses in the award in those cases where fairness dictates other than such an allocation between the parties.

- H. This Agreement will be binding on the parties and their respective successors and assigns, except that no party may assign or transfer its rights or obligations under this Agreement without the prior written consent of the other party, which consent will not be unreasonably withheld; provided that the merger of either party with another company or the assignment of this Agreement to the purchaser of all or substantially all the assets or voting stock of a party will not be deemed an assignment in violation of this provision of the Agreement. Furthermore, either party may assign its rights and obligations under this Agreement to any parent, subsidiary or affiliate, provided that the assignee agrees in writing to be bound by the terms and conditions of this Agreement; provided that no such assignment will affect the liability of the assignor, nor release such party from its obligations under the terms of this Agreement.
- I. The parties agree that ACS is engaged in an independent business, and will perform its obligations under this Agreement as an independent contractor. As such, ACS retains the right to exercise full control of and supervision over the performance of ACS' obligations under this Agreement and full control over the employment, direction, compensation and discharge of

any and all of ACS' agents, employees, or subcontractors, including compliance with workers' compensation, unemployment, disability insurance, social security, withholding and all other federal, state and local laws, rules and regulations governing such matters.

- J. Whenever under this Agreement one party is required or permitted to give notice to the other, such notice will be deemed given when delivered in hand or three (3) business days after the date mailed by United States mail, certified mail, return receipt requested, postage prepaid, or when transmitted via facsimile, and addressed as follows:

In the case of ACS:

ACS State Healthcare, LLC
9040 Roswell Road
Atlanta, Georgia 30350
Attn: Legal Department

With copy to:
ACS Heritage, Inc.
2810 North Parham Road
Richmond, VA 23294
Attn: COO

In the case of Member Pharmacy:

Phone No. (____) ____ - ____ Facsimile No.: (____) ____ - ____
Attn: _____

Either party may change its address for notification purposes by giving the other three (3) days prior written notice of the new address and the date upon which it will become effective.

- K. In the event any provision of this Agreement is held to be unenforceable or invalid by any court of competent jurisdiction, the validity and enforceability of the remaining provisions of this Agreement will not be affected and, in lieu of such invalid or unenforceable provision, there will be added automatically as part of this Agreement one or more provisions as similar in terms as may be valid and enforceable under applicable law.
- L. This Agreement, including any attachments, constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior and contemporaneous representations, understandings or agreements, whether oral or written, relating to the subject matter above. The terms of this Agreement cannot be changed, released or discharged orally.

The parties have caused this Agreement to be executed by the signatures of their respective authorized representatives.

ACCEPTED AND AGREED:

ACS STATE HEALTHCARE, LLC



SIGNATURE

Mark Tripodi

NAME

Senior Vice President & General Mgr.

TITLE

NAME OF MEMBER PHARMACY

SIGNATURE

NAME

TITLE

ACCEPTED AND AGREED:

DATE

EXHIBIT A – PHARMACY INFORMATION AND CREDENTIALING

*Please fill in the following for each pharmacy location to be covered under this agreement
This information can be supplied in an excel format as long as all fields are contained in the spreadsheet*

Corporate Name: _____ NCPDP Affiliation (Chain Code) _____

d/b/a: Pharmacy Name: _____

Physical Address: _____

City: _____ County: _____ County Code# _____ State: _____ Zip: _____

Remittance Address: _____

City: _____ State: _____ Zip: _____

Phone #: (____) _____ Fax #: (____) _____ After Hours #: (____) _____

Pharmacy email address: _____

Federal Tax ID#: _____ Pharmacy DEA#: _____ Renewal Date: _____

State License #: _____ Medicaid #: _____ NCPDP#: _____

NPI # _____

Professional Liability Insurance Carrier: _____

Policy Limits: \$ _____ Pharmacist-in-Charge: _____

Computer Software Vendor: _____ Switch: _____

Store Hours: (M-F) _____ to _____ Sunday _____ to _____
(Sat) _____ to _____ Holidays _____ to _____
24 Hour _____

MEMBER PHARMACY AGREEMENT

EXHIBIT B

BENEFIT PLAN DESCRIPTION, BILLING AND PAYMENT TERMS ***Ohio Bureau of Workers' Compensation Pharmacy Benefit Program***

ACS State Healthcare, LLC (ACS) is the sole drug bill processor for Ohio Workers' Compensation State Fund, Black Lung and Marine Industrial Fund employers' claims. ACS does not process bills for self-insured or federal workers' compensation claims, and does not accept or process bills submitted by billing intermediaries or other third party payers. The nationwide, toll-free telephone number for ACS is: 1-800-OHIOBWC and follow the options.

ELIGIBLE PROVIDERS

Only those providers designated as a "pharmacy provider" are eligible to receive reimbursement for medications dispensed to injured workers. A provider who meets all the following criteria can obtain a pharmacy provider designation for the BWC pharmacy benefit program:

- Has a valid "Terminal Distributor of Dangerous Drugs" license if located within Ohio; or an equivalent state license if located outside of Ohio;
- Has a valid Drug Enforcement Agency (DEA) registration;
- Has a licensed registered pharmacist in full and actual charge of a pharmacy;
- Shall submit required bill data at the time of service to BWC's pharmacy benefit manager or bill processor using on-line bill adjudication, at the point of service.

All state and federal laws relating to the practice of pharmacy and the dispensing of medication by a duly licensed pharmacist must be observed.

PROGRAM LIMITATIONS/POLICY

- Days supply and quantity limits:
 - The greater of a 34-day supply or 120 metric units of a medication per prescription on allowed claims.
 - Catastrophic claims are permitted to receive up to a 90-day supply with no quantity limitations.
- \$1000.00 maximum per prescription. BWC requires ACS to verify that the billed amount is correct when a prescribed medication is within the quantity limitations but the billed amount exceeds \$1000. In these cases, the pharmacist must call ACS at 1-800-OHIOBWC, option 3, then option 2 to request an override of this limitation.
- Generic Drugs:
 - NOTE:** BWC's generic policy will change on 10/1/2005. Until that date, the following applies:
 - For claims with a **date of injury on and after April 1, 2000:**
BWC does not reimburse for brand name drugs when a generically equivalent drug is available, as designated by inclusion on the Centers for Medicare & Medicaid Services (CMS) Federal Upper Limit price list and/or the ACS Maximum Allowable Cost (MAC) list, regardless of whether or not the physician indicates "DAW" or "dispense as written" on the prescription. The physician may: 1) allow dispensing of the generic drug, 2) insist upon the brand name drug (by designating "DAW" or "dispense as written" on the prescription) or 3) prescribe a different drug product. If the brand name designation is not removed by the physician or the brand name drug is requested by the injured worker, the injured worker will be responsible for the difference in cost. A DAW Code of "2" should be submitted in each of these scenarios.
 - For claims with a **date of injury prior to April 1, 2000:**
For a brand name drug to be reimbursed when a pharmaceutically and therapeutically equivalent generic drug is available (BWC Rule 4123-6-21), the prescribing physician must indicate "DAW" or "dispense as written" on the prescription for the brand name drug. The injured worker will be financially responsible for the difference in cost if the physician has not

designated the brand name drug as required and the injured worker chooses to have the brand name drug dispensed. A DAW Code of "2" should be submitted when the injured worker requests the brand name drug.

Beginning 10/1/2005, BWC will no longer reimburse for brand name drugs when a generically equivalent drug is available, as designated by inclusion on the Centers for Medicare & Medicaid Services (CMS) Federal Upper Limit price list and/or the ACS Maximum Allowable Cost (MAC) list, regardless of whether or not the physician indicates "DAW" or "dispense as written" on the prescription. The physician may: 1) allow dispensing of the generic drug, 2) insist upon the brand name drug (by designating "DAW" or "dispense as written" on the prescription) or 3) prescribe a different drug product. If the brand name designation is not removed by the physician or the brand name drug is requested by the injured worker, the injured worker will be responsible for the difference in cost. A DAW Code of "2" should be submitted in each of these scenarios.

COVERED SERVICES

FDA-approved legend and over-the-counter (OTC) drugs are eligible for reimbursement by BWC when prescribed by a medical professional licensed to prescribe medications. Payment for medical treatment by BWC is injury- or occupational-disease specific. This means that only treatment that could be considered reasonably related to an allowed condition of a claim should be submitted to ACS. In an effort to ensure that the treatment being reimbursed by BWC is reasonably related to and reasonably necessary for treatment of the allowed condition(s) in an allowed claim, an adjudication edit was implemented effective **February 1, 2000**. This edit compared the approved and widely-accepted uses of the medication being dispensed based on the submitted National Drug Code (NDC) and the International Classification of Disease (ICD-9) code(s) allowed in the BWC claim and applied only to claims with a **date of injury on and after February 1, 2000**. On March 1, 2004, this edit was replaced by a prior authorization program for medications not typically associated with the treatment of industrial injuries or occupational diseases. This applies to all claims regardless of date of injury. The prescribing physician is required to document the relationship between the prescribed drug and the allowed conditions in an injured worker's claim.

As of July 10, 2005, BWC will no longer routinely pay for certain medications in the following categories: Non-steroidal anti-inflammatory drugs (NSAIDs); Cox-2 inhibitors; skeletal muscle relaxants; and opioid analgesics.

In most cases, BWC will require information from the prescriber stating why the specific drug is necessary. For NSAIDs and Cox-2 medications, the prescriber may indicate on the prescription why the medication is medically necessary. If the pharmacy has information from the prescriber or from other pharmacy records indicating that non-preferred NSAIDs or Cox-2 medications are medically necessary, prior authorization type code 1 should be submitted (NCPDP field 461-EU). For long-acting opioid analgesics BWC will approve a 10-day supply if the pharmacy documents that the injured worker is being discharged following surgery or traumatic injury. Again, the pharmacy should submit prior authorization type code 02 (NCPDP field 461-EU) if documentation indicates that this is the case.

Effective Oct. 1, 1998, BWC began reimbursing for drugs that are FDA approved for the treatment of impotency in cases where the condition of impotency is specifically allowed in the claim. Reimbursement is limited to six (6) dosage units per thirty (30) day period. Impotency drugs must be prior approved by ACS, BWC's pharmacy benefit manager.

Prior authorization request forms (MEDCO-31 and MEDCO-32) are available at ohiobwc.com (click provider, then forms) or by calling 1-800-OHIOBWC.

NON-COVERED SERVICES

BWC/ACS will not approve payment for:

- Treatment for conditions/diseases unrelated to the allowed conditions of the claim;
- Samples dispensed by the treating physician;

- Experimental or investigative drugs;
- Co-payments resulting from a claimant submitting bills for medication to a group health insurance or other third-party payer;
- Medications that are not approved for use in the United States;
- Injectable drugs which are not "self-administered" by the injured worker or which are to be administered by the physician or in a physician's office;
 BWC follows the guideline that injectable drugs or products administered by a physician or in a medical facility must be obtained by the provider administering the injection and billed to the MCO responsible for the management of the injured worker's claim. In the case of these items, authorization for treatment with these items should be obtained by the physician provider from the MCO in accordance with the policy established by the MCO. Reimbursement would then be made to the physician provider by the MCO. These include, but are not necessarily limited to:
 - Synvisc
 - Hyalgan
 - Toradol Injection
- Herbal products/ nutritional supplements;
- New or existing drug products that have been designated for review or not approved by the BWC Pharmacy and Therapeutics Subcommittee.
- Drugs that are FDA-approved for weight loss or weight control or drugs that are prescribed for such purpose;
 - BWC does not reimburse for weight control/loss drugs dispensed by a pharmacy provider. BWC and the MCO may consider reimbursement of weight control/loss drugs only when used as part of an approved/accredited weight control program.
- Drugs that are FDA-approved for smoking cessation or drugs that are prescribed for such purpose.
- Durable Medical Equipment (DME), disposable medical supplies, and other non-drug items are not covered through the PBM. These items must be billed to the Managed Care Organization (MCO) on either a HCFA-1500 or C-19 Service Invoice using the appropriate HCPCS code. Do not bill using the C-17 Outpatient Medication Invoice and/or using National Drug Codes (NDC).

BILLING

Pharmacy providers are required to submit bills for outpatient medications online at the point-of-service to ACS. ACS does **not** process bills for disposable DME.

- **Required Information**

Required information transmitted by the pharmacy provider to ACS includes: Injured Worker's Social Security number, Injured Worker's date of injury, and BWC claim number.

Social Security number is not required if BWC claim number and date of injury are available. For a claim without a BWC claim number (such as a claim that just occurred) the pharmacist must submit the prescription data and the injured worker's Social Security number and the date of injury to ACS. This information will be captured pending claim allowance and will be treated the same as a claim in a pending or alleged status. **NOTE:** A BWC claim number is not required for bill submittal to ACS by the pharmacy provider at the point-of-service.

- **Allowed claims**

For claims in an allowed status, ACS will adjudicate the bills. The BWC allowed amount will be transmitted to the pharmacy if the prescription is approved for payment.

- **Alleged claims**

For new claims or claims in a pending or alleged status, ACS captures the transmitted bill data and returns a message to the pharmacy indicating either "NEW CLAIM" or "PENDING CLAIM" as well as what the BWC allowed amount for the billed drug would be if the claim is allowed. This amount is usually indicated in the "co-payment" area on the prescription receipt. The pharmacist may choose to charge the patient this amount or the pharmacist may choose to accept assignment, and not charge the alleged injured worker for the prescription. To accept assignment of a bill, the provider needs to resubmit the bill with 999000000 in the PA field (NCPDP field 462-EV). Once the claim is updated to an allowed status, ACS will check its submitted drug bill history for any submitted bills for the claim and reimburse BWC's allowed amount to either the injured worker (if he or she paid for the medication), or the pharmacy, (if the pharmacy accepted assignment).

Effective March 1, 2000, for bills in which the pharmacy accepts assignment of the drug bill cost and does not require payment up-front from the injured worker prior to the claim allowance, there will be an additional dispensing fee of \$2.50 (for a total dispensing fee of \$6.00).

- **Denied claims**

For claims in a denied status, or self-insured or \$1K claims, ACS notifies the pharmacist prior to the dispensing of the prescribed medication that the payment for the drug will not be made by BWC and that the bill will be the employer's or injured worker's responsibility.

REIMBURSEMENT

Effective for dates of service beginning March 1, 1997, for all claims covered by a managed care program (i.e. HPP or QHP), outpatient medication reimbursement will be:

<p>Brand Name (Single Source) Drugs</p>	<p>The lower of:</p> <ul style="list-style-type: none"> • Blue Book Average Wholesale Price (AWP) - 9% + \$3.50 dispensing fee • Provider's Usual and Customary charge.
<p>Brand Name (Multi-Source) Drugs BWC WILL ENFORCE A GENERIC MANDATE TO ALL INJURED WORKERS' EFFECTIVE 10/01/2005 (see section on covered services)</p>	<p>The lower of:</p> <ul style="list-style-type: none"> • ACS MAC (listing and pricing/policy statement included) + \$3.50 dispensing fee, • Centers for Medicare & Medicaid Services (CMS) Federal Upper Limit + \$3.50 dispensing fee, • Blue Book Average Wholesale Price (AWP) - 9% + \$3.50 dispensing fee, or • Provider's Usual and Customary charge
<p>Compounded Medications: BWC WILL NO LONGER COVER COMPOUNDS EFFECTIVE 07/10/2005</p>	<p>The lower of:</p> <ul style="list-style-type: none"> • Blue Book Average Wholesale Price (AWP) - 9% + \$3.50 dispensing fee, or • Provider's Usual and Customary charge. <p>Compounded prescriptions must contain at least one FDA-approved medication and be billed to ACS using the NDC of the highest cost FDA-approved drug contained in the compound.</p>

This paragraph contains changes that are effective 7/10/2005: ACS will accept a limited number of paper bills from injured workers who were not aware of the requirement that bills be submitted electronically to ACS by the pharmacy provider. Bills will only be considered for reimbursement if the injured worker paid in full for the prescription. The injured worker must have a C-17 Outpatient Medication Invoice completed and signed by the pharmacist at the pharmacy that dispensed the medication to the injured worker. All requirements in the C-17 instructions must be met or the form will be returned to the injured worker. The invoice must be mailed to: ACS at the address printed on the form. The latest version of the form is available at ohiobwc.com (click provider, then forms). After an injured worker submits paper bills on two separate occasions, further bills will be denied with the request that the injured worker return to the pharmacy for their bills to be submitted via POS. C-17s requesting that payment be made to a pharmacy will be denied with a request that they be resubmitted via POS.

All bills for outpatient medications are paid per BWC fee schedule (ORC 4123-6-21), so in cases where the injured worker has paid for a drug at a pharmacy and then seeks reimbursement from BWC/ACS, the injured worker is liable for any difference in the amount paid by the injured worker and the amount reimbursed. For this reason, it is in the best interest of the injured worker for the pharmacy to submit the bill(s) for outpatient medication(s) to ACS electronically. If the pharmacy agrees, the pharmacy may submit the bill to ACS for up to 2 years after the date of service. If allowed, the payment for the prescription will then be sent to the pharmacy, and the pharmacy should reimburse the injured worker.

DISPENSING FEE CHANGE EFFECTIVE 10/1/2005:

As of 10/1/2005, dispensing fees shall be limited to one dispensing fee per patient per generic code number (GCN) per rolling twenty-five days. Exceptions to the single dispensing fee are:

- Cases where refill too soon is being obtained.

OUTPATIENT MEDICATION INAPPROPRIATE BILLING PRACTICES

The following are considered inappropriate billing practices:

- **Excessive Fees**
Fee splitting - the practice of dispensing medications in quantities less than that prescribed by the physician to obtain more than one dispensing fee for a single prescription. Dispensing a smaller amount due to a stock shortage, then later supplying the remainder of the prescription, is allowed. However, an additional dispensing fee will not be allowed in this instance. The pharmacy should bill for the entire quantity of medication prescribed and dispense any shortage of drug when available.
- **Excessive Filling**
Billing for a quantity of a drug in excess of the prescribed amount, unless required to do so by the standard manufacturers packaging of that product.
- **Lack of Medical Documentation**
Billing for a drug for which no medical documentation exists to support the fee bill can be of two types:
 - Prescription not on file in pharmacy and authorization not verified.
 - Prescription on file in pharmacy, but authorization not verified by licensed practitioner.
- **Prescription Shorting**
Billing for a drug in the quantity actually prescribed while supplying a lesser quantity to the injured worker.
- **Duplicate Billing**
Intentionally billing for and receiving a duplicate payment for the same dispensing of a drug.
- **Pharmacy Billing for Drugs not Dispensed**
Billing for a drug that the injured worker or his or her agent never received.
- **Pharmacy Billing for Drugs Supplied to the Injured Worker by Another Provider:**
Billing BWC for drugs supplied to another provider who in turn supplies the drug to the injured worker. Pharmacy providers must only bill for drugs that they legally dispense, not for drugs they supply to another provider.
- **Code Manipulation**

- Billing with a National Drug Code (NDC) that does not accurately reflect the medication dispensed.
- **Inappropriate/Excessive Dosages; Exceeding Days Supply Limits**
Submitting an inaccurate "Days Supply" based on the quantity of drug dispensed and the generally accepted daily dosage in order to increase the frequency of billing for the drug or for purposes of exceeding the BWC's days supply or quantity limitations.

Chapter one (1) of BWC's Provider Billing and Reimbursement Manual (available at ohiobwc.com, click provider and then services) documents BWC's billing guidelines as well as the consequences of inappropriate billing.

**Request for Taxpayer
 Identification Number and Certification**

Give form to the requester. Do not send to the IRS.

Print or type
 See Specific Instructions on page 2.

Name	
Business name, if different from above	
Check appropriate box: <input type="checkbox"/> Individual/Sole proprietor <input type="checkbox"/> Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Other ▶	
<input type="checkbox"/> Exempt from backup withholding	
Address (number, street, and apt. or suite no.)	Requester's name and address (optional)
City, state, and ZIP code	ACS State Healthcare PBM 365 Northridge Road, Suite 400 Atlanta, GA 30350 FAX: 888-335-8461
List your NCPDP (NABP) Provider Number here. (Necessary for the processing of your TAX ID number)	

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see How to get a TIN on page 3.

Social security number
OR
Employer identification number

Note: If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.

Part II Certification

Under penalties of perjury, I certify that:

- The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
- I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
- I am a U.S. person (including a U.S. resident alien).

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the Certification, but you must provide your correct TIN. (See the instructions on page 4.)

Sign Here

Signature of U.S. person ▶

Date ▶

Purpose of Form

A person who is required to file an information return with the IRS, must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

U.S. person. Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

- Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
- Certify that you are not subject to backup withholding, or
- Claim exemption from backup withholding if you are a U.S. exempt payee.

Note: If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

Foreign person. If you are a foreign person, use the appropriate Form W-8 (see Pub. 515, Withholding of Tax on Nonresident Aliens and Foreign Entities).

Nonresident alien who becomes a resident alien.

Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a "saving clause." Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the recipient has otherwise become a U.S. resident alien for tax purposes.

If you are a U.S. resident alien who is relying on an exception contained in the saving clause of a tax treaty to claim an exemption from U.S. tax on certain types of income, you must attach a statement that specifies the following five items:

- The treaty country. Generally, this must be the same treaty under which you claimed exemption from tax as a nonresident alien.
- The treaty article addressing the income.
- The article number (or location) in the tax treaty that contains the saving clause and its exceptions.
- The type and amount of income that qualifies for the exemption from tax.
- Sufficient facts to justify the exemption from tax under the terms of the treaty article.

Example. Article 20 of the U.S.-China income tax treaty allows an exemption from tax for scholarship income received by a Chinese student temporarily present in the United States. Under U.S. law, this student will become a resident alien for tax purposes if his or her stay in the United States exceeds 5 calendar years. However, paragraph 2 of the first Protocol to the U.S.-China treaty (dated April 30, 1984) allows the provisions of Article 20 to continue to apply even after the Chinese student becomes a resident alien of the United States. A Chinese student who qualifies for this exception (under paragraph 2 of the first protocol) and is relying on this exception to claim an exemption from tax on his or her scholarship or fellowship income would attach to Form W-9 a statement that includes the information described above to support that exemption.

If you are a **nonresident alien or a foreign entity** not subject to backup withholding, give the requester the appropriate completed Form W-8.

What is backup withholding? Persons making certain payments to you must under certain conditions withhold and pay to the IRS 30% of such payments (29% after December 31, 2003; 28% after December 31, 2005). This is called "backup withholding." Payments that may be subject to backup withholding include interest, dividends, broker and barter exchange transactions, rents, royalties, nonemployee pay, and certain payments from fishing boat operators. Real estate transactions are not subject to backup withholding.

You will not be subject to backup withholding on payments you receive if you give the requester your correct TIN, make the proper certifications, and report all your taxable interest and dividends on your tax return.

Payments you receive will be subject to backup withholding if:

1. You do not furnish your TIN to the requester, or
2. You do not certify your TIN when required (see the Part II instructions on page 4 for details), or
3. The IRS tells the requester that you furnished an incorrect TIN, or
4. The IRS tells you that you are subject to backup withholding because you did not report all your interest and dividends on your tax return (for reportable interest and dividends only), or
5. You do not certify to the requester that you are not subject to backup withholding under 4 above (for reportable interest and dividend accounts opened after 1983 only).

Certain payees and payments are exempt from backup withholding. See the instructions below and the separate instructions for the Requester of Form W-9.

Penalties

Failure to furnish TIN. If you fail to furnish your correct TIN to a requester, you are subject to a penalty of \$50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

Civil penalty for false information with respect to withholding. If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a \$500 penalty.

Criminal penalty for falsifying information. Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

Misuse of TINs. If the requester discloses or uses TINs in violation of Federal law, the requester may be subject to civil and criminal penalties.

Specific Instructions

Name

If you are an individual, you must generally enter the name shown on your social security card. However, if you have changed your last name, for instance, due to marriage without informing the Social Security Administration of the name change, enter your first name, the last name shown on your social security card, and your new last name.

If the account is in joint names, list first, and then circle, the name of the person or entity whose number you entered in Part I of the form.

Sole proprietor. Enter your individual name as shown on your social security card on the "Name" line. You may enter your business, trade, or "doing business as (DBA)" name on the "Business name" line.

Limited liability company (LLC). If you are a single-member LLC (including a foreign LLC with a domestic owner) that is disregarded as an entity separate from its owner under Treasury regulations section 301.7701-3, enter the owner's name on the "Name" line. Enter the LLC's name on the "Business name" line.

Other entities. Enter your business name as shown on required Federal tax documents on the "Name" line. This name should match the name shown on the charter or other legal document creating the entity. You may enter any business, trade, or DBA name on the "Business name" line.

Note: You are requested to check the appropriate box for your status (individual/sole proprietor, corporation, etc.).

Exempt From Backup Withholding

If you are exempt, enter your name as described above and check the appropriate box for your status, then check the "Exempt from backup withholding" box in the line following the business name. Sign and date the form.

Generally, individuals (including sole proprietors) are not exempt from backup withholding. Corporations are exempt from backup withholding for certain payments, such as interest and dividends.

Note: If you are exempt from backup withholding, you should still complete this form to avoid possible erroneous backup withholding.

Exempt payees. Backup withholding is not required on any payments made to the following payees:

1. An organization exempt from tax under section 501(a), any IRA, or a custodial account under section 403(b)(7) if the account satisfies the requirements of section 401(f)(2);
2. The United States or any of its agencies or instrumentalities;
3. A state, the District of Columbia, a possession of the United States, or any of their political subdivisions or instrumentalities;
4. A foreign government or any of its political subdivisions, agencies, or instrumentalities; or
5. An international organization or any of its agencies or instrumentalities.

Other payees that may be exempt from backup withholding include:

6. A corporation;
7. A foreign central bank of issue;
8. A dealer in securities or commodities required to register in the United States, the District of Columbia, or a possession of the United States;

9. A futures commission merchant registered with the Commodity Futures Trading Commission;
10. A real estate investment trust;
11. An entity registered at all times during the tax year under the Investment Company Act of 1940;
12. A common trust fund operated by a bank under section 584(a);
13. A financial institution;
14. A middleman known in the investment community as a nominee or custodian; or
15. A trust exempt from tax under section 664 or described in section 4947.

The chart below shows types of payments that may be exempt from backup withholding. The chart applies to the exempt recipients listed above, 1 through 15.

If the payment is for . . .	THEN the payment is exempt for . . .
Interest and dividend payments	All exempt recipients except for 9
Broker transactions	Exempt recipients 1 through 13. Also, a person registered under the Investment Advisers Act of 1940 who regularly acts as a broker
Barter exchange transactions and patronage dividends	Exempt recipients 1 through 5
Payments over \$600 required to be reported and direct sales over \$5,000 ¹	Generally, exempt recipients 1 through 7 ²

¹ See Form 1099-MISC, Miscellaneous Income, and its instructions.

² However, the following payments made to a corporation (including gross proceeds paid to an attorney under section 6046(f), even if the attorney is a corporation) and reportable on Form 1099-MISC are not exempt from backup withholding: medical and health care payments, attorneys' fees; and payments for services paid by a Federal executive agency.

Part I. Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. If you are a resident alien and you do not have and are not eligible to get an SSN, your TIN is your IRS Individual taxpayer identification number (ITIN). Enter it in the social security number box. If you do not have an ITIN, see **How to get a TIN** below.

If you are a **sole proprietor** and you have an EIN, you may enter either your SSN or EIN. However, the IRS prefers that you use your SSN.

If you are a single-owner LLC that is disregarded as an entity separate from its owner (see **Limited liability company (LLC)** on page 2), enter your SSN (or EIN, if you have one). If the LLC is a corporation, partnership, etc., enter the entity's EIN.

Note: See the chart on page 4 for further clarification of name and TIN combinations.

How to get a TIN. If you do not have a TIN, apply for one immediately. To apply for an SSN, get Form SS-5, Application for a Social Security Card, from your local Social Security Administration office or get this form on-line at www.ssa.gov/online/ss5.html. You may also get this form by calling 1-800-772-1213. Use Form W-7, Application for IRS Individual Taxpayer Identification Number, to apply for an ITIN, or Form SS-4, Application for Employer Identification Number, to apply for an EIN. You can get Forms W-7 and SS-4 from the IRS by calling 1-800-TAX-FORM (1-800-829-3676) or from the IRS Web Site at www.irs.gov.

If you are asked to complete Form W-9 but do not have a TIN, write "Applied For" in the space for the TIN, sign and date the form, and give it to the requester. For interest and dividend payments, and certain payments made with respect to readily tradable instruments, generally you will have 60 days to get a TIN and give it to the requester before you are subject to backup withholding on payments. The 60-day rule does not apply to other types of payments. You will be subject to backup withholding on all such payments until you provide your TIN to the requester.

Note: Writing "Applied For" means that you have already applied for a TIN or that you intend to apply for one soon.

Caution: A disregarded domestic entity that has a foreign owner must use the appropriate Form W-8.

Part II. Certification

To establish to the withholding agent that you are a U.S. person, or resident alien, sign Form W-9. You may be requested to sign by the withholding agent even if items 1, 3, and 5 below indicate otherwise.

For a joint account, only the person whose TIN is shown in Part I should sign (when required). Exempt recipients, see **Exempt from backup withholding** on page 2.

Signature requirements. Complete the certification as indicated in 1 through 5 below.

1. Interest, dividend, and barter exchange accounts opened before 1984 and broker accounts considered active during 1983. You must give your correct TIN, but you do not have to sign the certification.

2. Interest, dividend, broker, and barter exchange accounts opened after 1983 and broker accounts considered inactive during 1983. You must sign the certification or backup withholding will apply. If you are subject to backup withholding and you are merely providing your correct TIN to the requester, you must cross out item 2 in the certification before signing the form.

3. Real estate transactions. You must sign the certification. You may cross out item 2 of the certification.

4. Other payments. You must give your correct TIN, but you do not have to sign the certification unless you have been notified that you have previously given an incorrect TIN. "Other payments" include payments made in the course of the requester's trade or business for rents, royalties, goods (other than bills for merchandise), medical and health care services (including payments to corporations), payments to a nonemployee for services, payments to certain fishing boat crew members and fishermen, and gross proceeds paid to attorneys (including payments to corporations).

5. Mortgage interest paid by you, acquisition or abandonment of secured property, cancellation of debt, qualified tuition program payments (under section 529), IRA or Archer MSA contributions or distributions, and pension distributions. You must give your correct TIN, but you do not have to sign the certification.

What Name and Number To Give the Requester

For this type of account:	Give name and SSN of:
1. Individual	The individual
2. Two or more individuals (joint account)	The actual owner of the account or, if combined funds, the first individual on the account ¹
3. Custodian account of a minor (Uniform Gift to Minors Act)	The minor ²
4. a. The usual revocable savings trust (grantor is also trustee)	The grantor-trustee ¹
b. So-called trust account that is not a legal or valid trust under state law	The actual owner ¹
5. Sole proprietorship or single-owner LLC	The owner ³
For this type of account:	Give name and EIN of:
6. Sole proprietorship or single-owner LLC	The owner ³
7. A valid trust, estate, or pension trust	Legal entity ⁴
8. Corporate or LLC electing corporate status on Form 8832	The corporation
9. Association, club, religious, charitable, educational, or other tax-exempt organization	The organization
10. Partnership or multi-member LLC	The partnership
11. A broker or registered nominee	The broker or nominee
12. Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district, or prison) that receives agricultural program payments	The public entity

¹ List first and circle the name of the person whose number you furnish. If only one person on a joint account has an SSN, that person's number must be furnished.

² Circle the minor's name and furnish the minor's SSN.

³ You must show your individual name, but you may also enter your business or "DBA" name. You may use either your SSN or EIN (if you have one).

⁴ List first and circle the name of the legal trust, estate, or pension trust. (Do not furnish the TIN of the personal representative or trustee unless the legal entity itself is not designated in the account title.)

Note: If no name is circled when more than one name is listed, the number will be considered to be that of the first name listed.

Privacy Act Notice

Section 6109 of the Internal Revenue Code requires you to provide your correct TIN to persons who must file information returns with the IRS to report interest, dividends, and certain other income paid to you, mortgage interest you paid, the acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA or Archer MSA. The IRS uses the numbers for identification purposes and to help verify the accuracy of your tax return. The IRS may also provide this information to the Department of Justice for civil and criminal litigation, and to cities, states, and the District of Columbia to carry out their tax laws. We may also disclose this information to other countries under a tax treaty, or to Federal and state agencies to enforce Federal nontax criminal laws and to combat terrorism.

You must provide your TIN whether or not you are required to file a tax return. Payers must generally withhold 30% of taxable interest, dividend, and certain other payments to a payee who does not give a TIN to a payer. Certain penalties may also apply.

